

HOUSE BILL No. 1397

DIGEST OF INTRODUCED BILL

Citations Affected: IC 1-1-3.5-5; IC 4; IC 5-14; IC 5-10.2-2-18; IC 5-13-12-7; IC 5-19-1.5-7; IC 5-20; IC 5-22; IC 5-28; IC 5-29; IC 6-1.1; IC 6-3-3-10; IC 6-3.1; IC 8-1-8.8-13; IC 8-1.2; IC 8-3-1-21.1; IC 8-4.5-2-2; IC 8-21-9-12; IC 8-22-3.5; IC 8-23-12-4; IC 9-21-4-5; IC 12-13-12-3; IC 12-14-2; IC 13-20; IC 13-27.5-1-2; IC 14-10-1-1; IC 14-13; IC 14-18; IC 14-20-12-3; IC 14-33-7; IC 15-2.1-2-15; IC 15-8-1-3; IC 15-9; IC 20-1-18.3-11; IC 20-11-3-5.5; IC 22-4-19-6; IC 23-6-4-10; IC 34-30-2-64; IC 36-1-12.5; IC 36-7.

Synopsis: Economic development. Consolidates various provisions related to the Indiana economic development corporation, community development, and the office of economic development into a single article of the Indiana Code. Establishes the department of tourism. Consolidates tourism functions assigned to the department into one article of the Indiana Code. Establishes the office of energy policy. Consolidates energy-related functions assigned to the office of energy policy into one article of the Indiana Code. Consolidates certain provisions related to the commissioner of agriculture into a one article of the Indiana Code. Repeals provisions related to the department of commerce that are transferred to the Indiana economic development corporation, the department of tourism, or the office of energy policy. Makes conforming changes.

Effective: July 1, 2004; July 1, 2005.

Bosma, Stilwell

January 20, 2004, read first time and referred to Committee on Ways and Means.

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Introduced

Second Regular Session 113th General Assembly (2004)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2003 Regular Session of the General Assembly.

HOUSE BILL No. 1397

A BILL FOR AN ACT to amend the Indiana Code concerning economic development.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 1-1-3.5-5, AS AMENDED BY P.L.204-2001,
2 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2005]: Sec. 5. (a) The governor shall forward a copy of the
4 executive order issued under section 3 of this chapter to:

- 5 (1) the director of the Indiana state library;
6 (2) the election division; and
7 (3) the Indiana Register.

8 (b) The director of the Indiana state library, or an employee of the
9 Indiana state library designated by the director to supervise a state data
10 center established under IC 4-23-7.1, shall notify each state agency
11 using population counts as a basis for the distribution of funds or
12 services of the effective date of the tabulation of population or
13 corrected population count.

14 (c) The agencies that the director of the Indiana state library must
15 notify under subsection (b) include the following:

- 16 (1) The auditor of state, for distribution of money from the
17 following:

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- 1 (A) The cigarette tax fund in accordance with IC 6-7-1-30.1.
 2 (B) Excise tax revenue allocated under IC 7.1-4-7-8.
 3 (C) The local road and street account in accordance with
 4 IC 8-14-2-4.
 5 (D) The repayment of loans from the Indiana University
 6 permanent endowment funds under IC 21-7-4.
 7 (2) The board of trustees of Ivy Tech State College, for the board's
 8 division of Indiana into service regions under IC 20-12-61-9.
 9 (3) The ~~department of commerce~~, **Indiana economic**
 10 **development corporation**, for the distribution of money from:
 11 ~~the following:~~
 12 (A) the rural development fund under ~~IC 4-4-9~~; **IC 5-28-25**;
 13 **and**
 14 (B) the growth investment program fund under ~~IC 4-4-20~~.
 15 **IC 5-28-13.**
 16 (4) The division of disability, aging, and rehabilitative services,
 17 for establishing priorities for community residential facilities
 18 under IC 12-11-1.1 and IC 12-28-4-12.
 19 (5) The department of state revenue, for distribution of money
 20 from the motor vehicle highway account fund under IC 8-14-1-3.
 21 (6) The enterprise zone board, for the evaluation of enterprise
 22 zone applications under ~~IC 4-4-6-1~~; **IC 5-28-20.**
 23 (7) The alcohol and tobacco commission, for the issuance of
 24 permits under IC 7.1.
 25 (8) The Indiana library and historical board, for distribution of
 26 money to eligible public library districts under IC 4-23-7.1-29.
 27 (9) The state board of accounts, for calculating the state share of
 28 salaries paid under IC 33-13-12, IC 33-14-7, and IC 33-15-26.
 29 SECTION 2. IC 4-1.5-5-1, AS ADDED BY P.L.224-2003,
 30 SECTION 260, IS AMENDED TO READ AS FOLLOWS
 31 [EFFECTIVE JULY 1, 2004]: Sec. 1. Beginning July 1, 2005, the
 32 corporation shall carry out the economic development functions of the
 33 state in conformity with the laws enacted by the general assembly.
 34 Until July 1, 2005, the board of the corporation shall serve **under the**
 35 **direction of the department of commerce** as an advisory board to the
 36 state on economic development matters.
 37 SECTION 3. IC 4-10-18-16 IS AMENDED TO READ AS
 38 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 16. (a) Grants to or on
 39 behalf of political subdivisions for qualified economic growth
 40 initiatives shall be made by the ~~department of commerce~~ **created**
 41 **Indiana economic development corporation established by**
 42 ~~IC 4-4-3-2~~; **IC 5-28-3-1.**

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(b) Each grant shall be made ~~pursuant to~~ **under** a grant agreement by and between:

(1) the ~~department of commerce;~~ **Indiana economic development corporation;** and

(2) the political subdivision proposing the economic growth initiative or the person (as defined in IC 36-1-2-12) acting on behalf of the political subdivision.

(c) Each grant agreement shall describe in detail:

(1) the qualified economic growth initiative;

(2) the financing plan by the political subdivision proposing the economic growth initiative or by the person acting on behalf of the political subdivision; and

(3) the estimated cost of the economic growth initiative and all sources of money for the initiative.

(d) The ~~department of commerce~~ **Indiana economic development corporation** may not execute and deliver a grant agreement under this section, and no money may be disbursed from the economic growth initiatives account, until the grant agreement has been:

(1) reviewed by the budget committee established by IC 4-12-1-3; and

(2) approved by the budget agency established by IC 4-12-1-3.

(e) In addition to the requirements of subsection (d), no money may be disbursed for a grant from the economic growth initiatives account ~~(1) before March 1, 1994; or~~

~~(2) after February 28, 1994;~~ without an appropriation made by the general assembly for that purpose,

unless the grant is for a qualified economic growth initiative for a government building that is to be occupied by an agency of the federal government.

(f) Not more than twenty-five percent (25%) of any grant may be used for training or retraining employees whose jobs will be created or retained as a result of the economic growth initiative.

SECTION 4. IC 4-12-11-1, AS ADDED BY P.L.224-2003, SECTION 179, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 1. As used in this chapter, ~~"department"~~ **"corporation"** refers to the ~~department of commerce~~ **Indiana economic development corporation** established by ~~IC 4-4-3-2; IC 5-28-3-1.~~

SECTION 5. IC 4-12-11-9, AS ADDED BY P.L.224-2003, SECTION 179, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 9. The fund shall be administered by the ~~department;~~ **corporation.**

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SECTION 6. IC 4-12-11-13, AS ADDED BY P.L.224-2003, SECTION 179, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 13. The ~~department~~ **corporation** shall establish a grant application procedure for redevelopment commissions.

SECTION 7. IC 4-12-11-14, AS ADDED BY P.L.224-2003, SECTION 179, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 14. To qualify for a grant under this chapter, a redevelopment commission must:

- (1) submit an application in the form prescribed by the ~~department;~~ **corporation;**
- (2) demonstrate that:
 - (A) the redevelopment commission has established a technology park; and
 - (B) the grant being applied for under this chapter will assist the redevelopment commission in accomplishing the goals of the technology park under IC 36-7-32; and
- (3) provide the other information required by the ~~department;~~ **corporation.**

SECTION 8. IC 4-12-11-15, AS ADDED BY P.L.224-2003, SECTION 179, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 15. The ~~department~~ **corporation** shall provide grants on a competitive basis from the fund to businesses that apply for a grant under this chapter. The ~~department~~ **corporation** may select and fund part or all of an application request that:

- (1) is submitted during an application period; or
- (2) was submitted in a prior application period but not fully funded in that application period.

SECTION 9. IC 4-12-11-18, AS ADDED BY P.L.224-2003, SECTION 179, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 18. The ~~department~~ **corporation** may, under rules established by the department of local government finance and the procedures established by the ~~department;~~ **corporation,** award grants from the fund to one (1) or more political subdivisions to reimburse the political subdivisions for ad valorem property taxes allocated to an allocation area as a result of a resolution adopted under IC 36-7-32-15.

SECTION 10. IC 4-13-1.1-4, AS ADDED BY P.L.252-1999, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 4. As used in this chapter, "downtown" refers to:

- (1) the central business district of a city, town, or township;
- (2) any commercial or mixed use area within a neighborhood of

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a city, town, or township that has traditionally served, since the founding of the community, as the retail service and communal focal point within the community;

(3) an enterprise zone established under ~~IC 4-4-6.1~~; **IC 5-28-20**; or

(4) a brownfield revitalization zone established under IC 6-1.1-42.

SECTION 11. IC 4-13-1.4-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 9. Each year the department shall, in cooperation with the ~~department of commerce~~ **office of energy policy** created by ~~IC 4-4-3~~; **IC 8-1.2-2**, host at least one (1) conference to bring together the following:

(1) Purchasing agents.

(2) Suppliers of products made from recycled materials.

SECTION 12. IC 4-13-2-20, AS AMENDED BY P.L.155-2002, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 20. (a) Except as otherwise provided in this section, IC 20-1-1.8-17.2, or IC 12-8-10-7, payment for any services, supplies, materials, or equipment shall not be paid from any fund or state money in advance of receipt of such services, supplies, materials, or equipment by the state.

(b) With the prior approval of the budget agency, payment may be made in advance for any of the following:

(1) War surplus property.

(2) Property purchased or leased from the United States government or its agencies.

(3) Dues and subscriptions.

(4) License fees.

(5) Insurance premiums.

(6) Utility connection charges.

(7) Federal grant programs where advance funding is not prohibited and, except as provided in subsection (i), the contracting party posts sufficient security to cover the amount advanced.

(8) Grants of state funds authorized by statute.

(9) Employee expense vouchers.

(10) Beneficiary payments to the administrator of a program of self-insurance.

(11) Services, supplies, materials, or equipment to be received from an agency or from a body corporate and politic.

(12) Expenses for the operation of offices that represent the state under contracts with the ~~department of commerce~~ **Indiana economic development corporation** and that are located outside

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(13) Services, supplies, materials, or equipment to be used for more than one (1) year under a discounted contractual arrangement funded through a designated leasing entity.

(14) Maintenance of equipment and maintenance of software not exceeding an annual amount of one thousand five hundred dollars (\$1,500) for each piece of equipment or each software license.

(15) Exhibits, artifacts, specimens, or other unique items of cultural or historical value or interest purchased by the state museum.

(c) Any state agency and any state college or university supported in whole or in part by state funds may make advance payments to its employees for duly accountable expenses exceeding ten dollars (\$10) incurred through travel approved by the employee's respective agency director in the case of a state agency and by a ~~duly an~~ authorized person in the case of any such state college or university.

(d) The auditor of state may, with the approval of the budget agency and of the commissioner of the Indiana department of administration:

(1) appoint a special disbursing officer for any state agency or group of agencies where it is necessary or expedient that a special record be kept of a particular class of disbursements or where disbursements are made from a special fund; and

(2) approve advances to the special disbursing officer or officers from any available appropriation for the purpose.

(e) The auditor of state shall issue the auditor's warrant to the special disbursing officer to be disbursed by the disbursing officer as provided in this section. Special disbursing officers shall in no event make disbursements or payments for supplies or current operating expenses of any agency or for contractual services or equipment not purchased or contracted for in accordance with this chapter and IC 5-22. No special disbursing officer shall be appointed and no money shall be advanced until procedures covering the operations of special disbursing officers have been adopted by the Indiana department of administration and approved by the budget agency. These procedures must include the following provisions:

(1) Provisions establishing the authorized levels of special disbursing officer accounts and establishing the maximum amount which may be expended on a single purchase from special disbursing officer funds without prior approval.

(2) Provisions requiring that each time a special disbursing officer makes an accounting to the auditor of state of the expenditure of the advanced funds, the auditor of state shall request that the

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Indiana department of administration review the accounting for compliance with IC 5-22.

(3) A provision that, unless otherwise approved by the commissioner of the Indiana department of administration, the special disbursing officer must be the same individual as the procurements agent under IC 4-13-1.3-5.

(4) A provision that each disbursing officer be trained by the Indiana department of administration in the proper handling of money advanced to the officer under this section.

(f) The commissioner of the Indiana department of administration shall cite in a letter to the special disbursing officer the exact purpose or purposes for which the money advanced may be expended.

(g) A special disbursing officer may issue a check to a person without requiring a certification under IC 5-11-10-1 if the officer:

(1) is authorized to make the disbursement; and

(2) complies with procedures adopted by the state board of accounts to govern the issuance of checks under this subsection.

(h) A special disbursing officer is not personally liable for a check issued under subsection (g) if:

(1) the officer complies with the procedures described in subsection (g); and

(2) funds are appropriated and available to pay the warrant.

(i) For contracts entered into between the department of workforce development or the Indiana commission on vocational and technical education and:

(1) a school corporation (as defined in IC 20-10.1-1-1); or

(2) a state educational institution (as defined in IC 20-12-0.5-1); the contracting parties are not required to post security to cover the amount advanced.

SECTION 13. IC 4-13-16.5-2, AS AMENDED BY P.L.41-2003, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 2. (a) There is established a governor's commission on minority and women's business enterprises. The commission shall consist of the following members:

(1) A governor's designee, who shall serve as chairman of the commission.

(2) The commissioner of the Indiana department of transportation.

(3) The ~~director chairperson~~ of the ~~department of commerce~~ **board of the Indiana economic development corporation.**

(4) The commissioner of the department.

(5) Nine (9) individuals with demonstrated capabilities in business and industry, especially minority and women's business

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enterprises, appointed by the governor from the following geographical areas of the state:

(A) Three (3) from the northern one-third (1/3) of the state.

(B) Three (3) from the central one-third (1/3) of the state.

(C) Three (3) from the southern one-third (1/3) of the state.

(6) Two (2) members of the house of representatives, no more than one (1) from the same political party, appointed by the speaker of the house of representatives to serve in a nonvoting advisory capacity.

(7) Two (2) members of the senate, no more than one (1) from the same political party, appointed by the president pro tempore of the senate to serve in a nonvoting advisory capacity.

Not more than six (6) of the ten (10) members appointed or designated by the governor may be of the same political party. Appointed members of the commission shall serve four (4) year terms. A vacancy occurs if a legislative member leaves office for any reason. Any vacancy on the commission shall be filled in the same manner as the original appointment.

(b) Each member of the commission who is not a state employee is entitled to the following:

(1) The minimum salary per diem provided by IC 4-10-11-2.1(b).

(2) Reimbursement for traveling expenses and other expenses actually incurred in connection with the member's duties as provided under IC 4-13-1-4 and in the state travel policies and procedures established by the Indiana department of administration and approved by the budget agency.

(c) Each legislative member of the commission is entitled to receive the same per diem, mileage, and travel allowances established by the legislative council and paid to members of the general assembly serving on interim study committees. The allowances specified in this subsection shall be paid by the legislative services agency from the amounts appropriated for that purpose.

(d) A member of the commission who is a state employee but who is not a member of the general assembly is not entitled to any of the following:

(1) The minimum salary per diem provided by IC 4-10-11-2.1(b).

(2) Reimbursement for traveling expenses as provided under IC 4-13-1-4.

(3) Other expenses actually incurred in connection with the member's duties.

(e) The commission shall meet at least four (4) times each year and at other times as the chairman deems necessary.

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(f) The duties of the commission ~~shall~~ include but **are not be** limited to the following:

(1) Identify minority and women's business enterprises in the state.

(2) Assess the needs of minority and women's business enterprises.

(3) Initiate aggressive programs to assist minority and women's business enterprises in obtaining state contracts.

(4) Give special publicity to procurement, bidding, and qualifying procedures.

(5) Include minority and women's business enterprises on solicitation mailing lists.

(6) Define the duties, goals, and objectives of the deputy commissioner of the department as created under this chapter to assure compliance by all state agencies with state and federal legislation and policy concerning the awarding of contracts to minority and women's business enterprises.

(7) Establish annual goals:

(A) for the use of minority and women's business enterprises; and

(B) derived from a statistical analysis of utilization study of state contracts that are required to be updated every five (5) years.

(8) Prepare a review of the commission and the various affected departments of government to be submitted to the governor and the legislative council on March 1 and October 1 of each year, evaluating progress made in the areas defined in this subsection.

(g) The department shall adopt rules of ethics under IC 4-22-2 for commission members other than commission members appointed under subsection (a)(6) or (a)(7).

(h) The department shall furnish administrative support and staff as is necessary for the effective operation of the commission.

SECTION 14. IC 4-21.5-2-5, AS AMENDED BY P.L.172-1999, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 5. This article does not apply to the following agency actions:

(1) The issuance of a warrant or jeopardy warrant for the collection of taxes.

(2) A determination of probable cause or no probable cause by the civil rights commission.

(3) A determination in a factfinding conference of the civil rights commission.

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(4) A personnel action, except review of a personnel action by the state employees appeals commission under IC 4-15-2 or a personnel action that is not covered by IC 4-15-2 but may be taken only for cause.

(5) A resolution, directive, or other action of any agency that relates solely to the internal policy, organization, or procedure of that agency or another agency and is not a licensing or enforcement action. Actions to which this exemption applies include the statutory obligations of an agency to approve or ratify an action of another agency.

(6) An agency action related to an offender within the jurisdiction of the department of correction.

(7) A decision of the ~~department of commerce~~, **Indiana economic development corporation, the department of tourism, the office of energy policy**, the department of environmental management, the enterprise zone board, the tourist information and grant fund review committee, the Indiana development finance authority, the Indiana business modernization and technology corporation, the corporation for innovation development, the Indiana small business development corporation, or the lieutenant governor that concerns a grant, loan, bond, tax incentive, or financial guarantee.

(8) A decision to issue or not issue a complaint, summons, or similar accusation.

(9) A decision to initiate or not initiate an inspection, investigation, or other similar inquiry that will be conducted by the agency, another agency, a political subdivision, including a prosecuting attorney, a court, or another person.

(10) A decision concerning the conduct of an inspection, investigation, or other similar inquiry by an agency.

(11) The acquisition, leasing, or disposition of property or procurement of goods or services by contract.

(12) Determinations of the department of workforce development under IC 22-4-18-1(g)(1), IC 22-4-40, or IC 22-4-41.

(13) A decision under IC 9-30-12 of the bureau of motor vehicles to suspend or revoke the driver's license, a driver's permit, a vehicle title, or a vehicle registration of an individual who presents a dishonored check.

(14) An action of the department of financial institutions under IC 28-1-3.1 or a decision of the department of financial institutions to act under IC 28-1-3.1.

(15) A determination by the NVRA official under IC 3-7-11

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concerning an alleged violation of the National Voter Registration Act of 1993 (42 U.S.C. 1973gg) or IC 3-7.

(16) Imposition of a civil penalty under IC 4-20.5-6-8 if the rules of the Indiana department of administration provide an administrative appeals process.

SECTION 15. IC 4-22-2-28, AS AMENDED BY P.L.240-2003, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 28. (a) The Indiana economic development council may review and comment on any proposed rule and may suggest alternatives to reduce any regulatory burden that the proposed rule imposes on businesses. The agency that intends to adopt the proposed rule shall respond in writing to the Indiana economic development council concerning the council's comments or suggested alternatives before adopting the proposed rule under section 29 of this chapter.

(b) The agency shall also submit a proposed rule with an estimated economic impact greater than five hundred thousand dollars (\$500,000) on the regulated entities to the legislative services agency after the preliminary adoption of the rule. Except as provided in subsection (c), before the adoption of the rule, the legislative services agency shall prepare, not more than forty-five (45) days after receiving a proposed rule, a fiscal analysis concerning the effect that compliance with the proposed rule will have on the:

(1) state; and

(2) entities regulated by the proposed rule.

The fiscal analysis must contain an estimate of the economic impact of the proposed rule and a determination concerning the extent to which the proposed rule creates an unfunded mandate on a state agency or political subdivision. The fiscal analysis is a public document. The legislative services agency shall make the fiscal analysis available to interested parties upon request. The agency proposing the rule shall consider the fiscal analysis as part of the rulemaking process and shall provide the legislative services agency with the information necessary to prepare the fiscal analysis. The legislative services agency may also receive and consider applicable information from the regulated entities affected by the rule in preparation of the fiscal analysis.

(c) With respect to a proposed rule subject to IC 13-14-9:

(1) the department of environmental management shall give written notice to the legislative services agency of the proposed date of preliminary adoption of the proposed rule not less than sixty-six (66) days before that date; and

(2) the legislative services agency shall prepare the fiscal analysis

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referred to in subsection (b) not later than twenty-one (21) days before the proposed date of preliminary adoption of the proposed rule.

SECTION 16. IC 4-23-20-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 3. The committee consists of at least six (6) members appointed by the governor and must include representatives of the following:

- (1) The ~~department of commerce~~ **Indiana economic development corporation**.
- (2) The department of workforce development.
- (3) The division of disability, aging, and rehabilitative services.
- (4) The commission on vocational and technical education of the department of workforce development.
- (5) The state human resource investment council.
- (6) The department of education.

SECTION 17. IC 4-23-24.1-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 7. (a) Each member of the commission who is not a state employee is entitled to the minimum salary per diem provided by IC 4-10-11-2.1(b). The member is also entitled to reimbursement for traveling expenses as provided under IC 4-13-1-4 and other expenses actually incurred in connection with the member's duties as provided in the state policies and procedures established by the Indiana department of administration and approved by the budget agency. Expenses incurred under this subsection shall be paid out of the funds appropriated to the ~~department of commerce~~ **Indiana economic development corporation** or the civil rights commission.

(b) Each member of the commission who is a state employee but who is not a member of the general assembly is entitled to reimbursement for traveling expenses as provided under IC 4-13-1-4 and other expenses actually incurred in connection with the member's duties as provided in the state policies and procedures established by the Indiana department of administration and approved by the budget agency.

(c) Each member of the commission who is a member of the general assembly is entitled to receive the same per diem, mileage, and travel allowances paid to members of the general assembly serving on interim study committees established by the legislative council.

SECTION 18. IC 4-23-28-4, AS ADDED BY P.L.247-2003, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 4. (a) The commission consists of twenty (20) members appointed as follows:

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(1) Two (2) members of the senate who may not be affiliated with the same political party, to be appointed by the president pro tempore of the senate.

(2) Two (2) members of the house of representatives who may not be affiliated with the same political party, to be appointed by the speaker of the house of representatives.

(3) Four (4) members of the Hispanic/Latino community who are not members of the general assembly, to be appointed by the president pro tempore of the senate.

(4) Four (4) members of the Hispanic/Latino community who are not members of the general assembly, to be appointed by the speaker of the house of representatives.

(5) The secretary of family and social services or a designee of the secretary who is a Hispanic or Latino employee of the office of the secretary of family and social services.

(6) The commissioner of the state department of health or a designee of the commissioner who is a Hispanic or Latino employee of the state department of health.

(7) The state superintendent of public instruction or a designee of the superintendent who is a Hispanic or Latino employee of the department of education.

(8) The commissioner of the department of correction or a designee of the commissioner who is a Hispanic or Latino employee of the department of correction.

(9) The director of the civil rights commission or a designee of the director who is a Hispanic or Latino employee of the civil rights commission.

(10) The ~~director chairperson~~ of the ~~department of commerce~~ **Indiana economic development commission** or a designee of the ~~director chairperson~~ who is a Hispanic or Latino employee of the ~~department of commerce~~ **Indiana economic development commission**.

(11) A Hispanic or Latino business person, appointed by the governor.

(12) The commissioner of workforce development or a designee of the commissioner who is a Hispanic or Latino employee of the department of workforce development, who shall serve as an ex officio member of the commission.

In making their appointments under this section, the president pro tempore of the senate and the speaker of the house of representatives shall attempt to have the greatest possible number of counties represented on the commission.

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(b) If a legislative member of the commission ceases to be a member of the chamber from which the member was appointed, the member also ceases to be a member of the commission.

(c) A member of the commission may be removed at any time by the appointing authority who appointed the member.

(d) If a vacancy on the commission occurs, the appointing authority who appointed the former member whose position has become vacant shall appoint an individual to fill the vacancy.

SECTION 19. IC 4-31-9-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 9. (a) Before January 15 and July 15 of each year, each permit holder that operates satellite facilities shall forward to the auditor of state an amount equal to one-half of one percent (0.5%) of the total amount of money wagered at that permit holder's satellite facilities during the six (6) month period ending on the last day of the preceding month. The auditor of state shall distribute amounts received under this section as follows:

(1) Fifty percent (50%) of the amounts received shall be deposited in the livestock industry promotion and development fund established by ~~IC 4-4-3-2~~ **IC 15-9-3**.

(2) Fifty percent (50%) of the amounts received shall be distributed to the state fair commission for use in any activity that the commission is authorized to carry out under IC 15-1.5-3.

(b) Payments required by this section shall be made from amounts withheld by the permit holder under section 1 of this chapter.

SECTION 20. IC 4-33-12-6, AS AMENDED BY P.L.92-2003, SECTION 53, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 6. (a) The department shall place in the state general fund the tax revenue collected under this chapter.

(b) Except as provided by subsections (c) and (d) and IC 6-3.1-20-7, the treasurer of state shall quarterly pay the following amounts:

(1) Except as provided in subsection (k), one dollar (\$1) of the admissions tax collected by the licensed owner for each person embarking on a gambling excursion during the quarter or admitted to a riverboat that has implemented flexible scheduling under IC 4-33-6-21 during the quarter shall be paid to:

(A) the city in which the riverboat is docked, if the city:

- (i) is located in a county having a population of more than one hundred ten thousand (110,000) but less than one hundred fifteen thousand (115,000); or
- (ii) is contiguous to the Ohio River and is the largest city in the county; and

(B) the county in which the riverboat is docked, if the

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1 riverboat is not docked in a city described in clause (A).
 2 (2) Except as provided in subsection (k), one dollar (\$1) of the
 3 admissions tax collected by the licensed owner for each person:
 4 (A) embarking on a gambling excursion during the quarter; or
 5 (B) admitted to a riverboat during the quarter that has
 6 implemented flexible scheduling under IC 4-33-6-21;
 7 shall be paid to the county in which the riverboat is docked. In the
 8 case of a county described in subdivision (1)(B), this one dollar
 9 (\$1) is in addition to the one dollar (\$1) received under
 10 subdivision (1)(B).
 11 (3) Except as provided in subsection (k), ten cents (\$0.10) of the
 12 admissions tax collected by the licensed owner for each person:
 13 (A) embarking on a gambling excursion during the quarter; or
 14 (B) admitted to a riverboat during the quarter that has
 15 implemented flexible scheduling under IC 4-33-6-21;
 16 shall be paid to the county convention and visitors bureau or
 17 promotion fund for the county in which the riverboat is docked.
 18 (4) Except as provided in subsection (k), fifteen cents (\$0.15) of
 19 the admissions tax collected by the licensed owner for each
 20 person:
 21 (A) embarking on a gambling excursion during the quarter; or
 22 (B) admitted to a riverboat during a quarter that has
 23 implemented flexible scheduling under IC 4-33-6-21;
 24 shall be paid to the state fair commission, for use in any activity
 25 that the commission is authorized to carry out under IC 15-1.5-3.
 26 (5) Except as provided in subsection (k), ten cents (\$0.10) of the
 27 admissions tax collected by the licensed owner for each person:
 28 (A) embarking on a gambling excursion during the quarter; or
 29 (B) admitted to a riverboat during the quarter that has
 30 implemented flexible scheduling under IC 4-33-6-21;
 31 shall be paid to the division of mental health and addiction. The
 32 division shall allocate at least twenty-five percent (25%) of the
 33 funds derived from the admissions tax to the prevention and
 34 treatment of compulsive gambling.
 35 (6) Except as provided in subsection (k), sixty-five cents (\$0.65)
 36 of the admissions tax collected by the licensed owner for each
 37 person embarking on a gambling excursion during the quarter or
 38 admitted to a riverboat during the quarter that has implemented
 39 flexible scheduling under IC 4-33-6-21 shall be paid to the
 40 Indiana horse racing commission to be distributed as follows, in
 41 amounts determined by the Indiana horse racing commission, for
 42 the promotion and operation of horse racing in Indiana:

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(A) To one (1) or more breed development funds established by the Indiana horse racing commission under IC 4-31-11-10.

(B) To a racetrack that was approved by the Indiana horse racing commission under IC 4-31. The commission may make a grant under this clause only for purses, promotions, and routine operations of the racetrack. No grants shall be made for long term capital investment or construction and no grants shall be made before the racetrack becomes operational and is offering a racing schedule.

(c) With respect to tax revenue collected from a riverboat located in a historic hotel district, the treasurer of state shall quarterly pay the following amounts:

(1) Twenty-five percent (25%) of the admissions tax collected during the quarter shall be paid to the county treasurer of the county in which the riverboat is docked. The county treasurer shall distribute the money received under this subdivision as follows:

(A) Twenty percent (20%) shall be quarterly distributed to the county treasurer of a county having a population of more than thirty-nine thousand six hundred (39,600) but less than forty thousand (40,000) for appropriation by the county fiscal body after receiving a recommendation from the county executive. The county fiscal body for the receiving county shall provide for the distribution of the money received under this clause to one (1) or more taxing units (as defined in IC 6-1.1-1-21) in the county under a formula established by the county fiscal body after receiving a recommendation from the county executive.

(B) Twenty percent (20%) shall be quarterly distributed to the county treasurer of a county having a population of more than ten thousand seven hundred (10,700) but less than twelve thousand (12,000) for appropriation by the county fiscal body. The county fiscal body for the receiving county shall provide for the distribution of the money received under this clause to one (1) or more taxing units (as defined in IC 6-1.1-1-21) in the county under a formula established by the county fiscal body after receiving a recommendation from the county executive.

(C) Sixty percent (60%) shall be retained by the county where the riverboat is docked for appropriation by the county fiscal body after receiving a recommendation from the county executive. The county fiscal body shall provide for the

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distribution of part or all of the money received under this clause to the following under a formula established by the county fiscal body:

(i) A town having a population of more than two thousand two hundred (2, 200) but less than three thousand five hundred (3,500) located in a county having a population of more than nineteen thousand three hundred (19,300) but less than twenty thousand (20,000).

(ii) A town having a population of more than three thousand five hundred (3,500) located in a county having a population of more than nineteen thousand three hundred (19,300) but less than twenty thousand (20,000).

(2) Sixteen percent (16%) of the admissions tax collected during the quarter shall be paid in equal amounts to each town that:

(A) is located in the county in which the riverboat docks; and

(B) contains a historic hotel.

The town council shall appropriate a part of the money received by the town under this subdivision to the budget of the town's tourism commission.

(3) Nine percent (9%) of the admissions tax collected during the quarter shall be paid to the historic hotel preservation commission established under IC 36-7-11.5.

(4) Twenty-five percent (25%) of the admissions tax collected during the quarter shall be paid to the West Baden Springs historic hotel preservation and maintenance fund established by IC 36-7-11.5-11(b).

(5) Twenty-five percent (25%) of the admissions tax collected during the quarter shall be paid to the ~~department of commerce~~ **Indiana economic development corporation** to be used by the ~~department corporation~~ for the development and implementation of a regional economic development strategy to assist the residents of the county in which the riverboat is located and residents of contiguous counties in improving their quality of life and to help promote successful and sustainable communities. The regional economic development strategy must include goals concerning the following issues:

(A) Job creation and retention.

(B) Infrastructure, including water, wastewater, and storm water infrastructure needs.

(C) Housing.

(D) Workforce training.

(E) Health care.

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(F) Local planning.

(G) Land use.

(H) Assistance to regional economic development groups.

(I) Other regional development issues as determined by the

~~department.~~ **Indiana economic development corporation.**

(d) With respect to tax revenue collected from a riverboat that operates from a county having a population of more than four hundred thousand (400,000) but less than seven hundred thousand (700,000), the treasurer of state shall quarterly pay the following amounts:

(1) Except as provided in subsection (k), one dollar (\$1) of the admissions tax collected by the licensed owner for each person:

(A) embarking on a gambling excursion during the quarter; or

(B) admitted to a riverboat during the quarter that has implemented flexible scheduling under IC 4-33-6-21;

shall be paid to the city in which the riverboat is docked.

(2) Except as provided in subsection (k), one dollar (\$1) of the admissions tax collected by the licensed owner for each person:

(A) embarking on a gambling excursion during the quarter; or

(B) admitted to a riverboat during the quarter that has implemented flexible scheduling under IC 4-33-6-21;

shall be paid to the county in which the riverboat is docked.

(3) Except as provided in subsection (k), nine cents (\$0.09) of the admissions tax collected by the licensed owner for each person:

(A) embarking on a gambling excursion during the quarter; or

(B) admitted to a riverboat during the quarter that has implemented flexible scheduling under IC 4-33-6-21;

shall be paid to the county convention and visitors bureau or promotion fund for the county in which the riverboat is docked.

(4) Except as provided in subsection (k), one cent (\$0.01) of the admissions tax collected by the licensed owner for each person:

(A) embarking on a gambling excursion during the quarter; or

(B) admitted to a riverboat during the quarter that has implemented flexible scheduling under IC 4-33-6-21;

shall be paid to the northwest Indiana law enforcement training center.

(5) Except as provided in subsection (k), fifteen cents (\$0.15) of the admissions tax collected by the licensed owner for each person:

(A) embarking on a gambling excursion during the quarter; or

(B) admitted to a riverboat during a quarter that has implemented flexible scheduling under IC 4-33-6-21;

shall be paid to the state fair commission for use in any activity

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that the commission is authorized to carry out under IC 15-1.5-3.

(6) Except as provided in subsection (k), ten cents (\$0.10) of the admissions tax collected by the licensed owner for each person:

(A) embarking on a gambling excursion during the quarter; or

(B) admitted to a riverboat during the quarter that has implemented flexible scheduling under IC 4-33-6-21;

shall be paid to the division of mental health and addiction. The division shall allocate at least twenty-five percent (25%) of the funds derived from the admissions tax to the prevention and treatment of compulsive gambling.

(7) Except as provided in subsection (k), sixty-five cents (\$0.65) of the admissions tax collected by the licensed owner for each person embarking on a gambling excursion during the quarter or admitted to a riverboat during the quarter that has implemented flexible scheduling under IC 4-33-6-21 shall be paid to the Indiana horse racing commission to be distributed as follows, in amounts determined by the Indiana horse racing commission, for the promotion and operation of horse racing in Indiana:

(A) To one (1) or more breed development funds established by the Indiana horse racing commission under IC 4-31-11-10.

(B) To a racetrack that was approved by the Indiana horse racing commission under IC 4-31. The commission may make a grant under this clause only for purses, promotions, and routine operations of the racetrack. No grants shall be made for long term capital investment or construction, and no grants shall be made before the racetrack becomes operational and is offering a racing schedule.

(e) Money paid to a unit of local government under subsection (b)(1) through (b)(2), (c)(1) through (c)(2), or (d)(1) through (d)(2):

(1) must be paid to the fiscal officer of the unit and may be deposited in the unit's general fund or riverboat fund established under IC 36-1-8-9, or both;

(2) may not be used to reduce the unit's maximum levy under IC 6-1.1-18.5 but may be used at the discretion of the unit to reduce the property tax levy of the unit for a particular year;

(3) may be used for any legal or corporate purpose of the unit, including the pledge of money to bonds, leases, or other obligations under IC 5-1-14-4; and

(4) is considered miscellaneous revenue.

(f) Money paid by the treasurer of state under subsection (b)(3) or (d)(3) shall be:

(1) deposited in:

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- 1 (A) the county convention and visitor promotion fund; or
 2 (B) the county's general fund if the county does not have a
 3 convention and visitor promotion fund; and
 4 (2) used only for the tourism promotion, advertising, and
 5 economic development activities of the county and community.
 6 (g) Money received by the division of mental health and addiction
 7 under subsections (b)(5) and (d)(6):
 8 (1) is annually appropriated to the division of mental health and
 9 addiction;
 10 (2) shall be distributed to the division of mental health and
 11 addiction at times during each state fiscal year determined by the
 12 budget agency; and
 13 (3) shall be used by the division of mental health and addiction
 14 for programs and facilities for the prevention and treatment of
 15 addictions to drugs, alcohol, and compulsive gambling, including
 16 the creation and maintenance of a toll free telephone line to
 17 provide the public with information about these addictions. The
 18 division shall allocate at least twenty-five percent (25%) of the
 19 money received to the prevention and treatment of compulsive
 20 gambling.
 21 (h) This subsection applies to the following:
 22 (1) Each entity receiving money under subsection (b).
 23 (2) Each entity receiving money under subsection (d)(1) through
 24 (d)(2).
 25 (3) Each entity receiving money under subsection (d)(5) through
 26 (d)(7).
 27 The treasurer of state shall determine the total amount of money paid
 28 by the treasurer of state to an entity subject to this subsection during
 29 the state fiscal year 2002. The amount determined under this subsection
 30 is the base year revenue for each entity subject to this subsection. The
 31 treasurer of state shall certify the base year revenue determined under
 32 this subsection to each entity subject to this subsection.
 33 (i) This subsection applies to an entity receiving money under
 34 subsection (d)(3) or (d)(4). The treasurer of state shall determine the
 35 total amount of money paid by the treasurer of state to the entity
 36 described in subsection (d)(3) during state fiscal year 2002. The
 37 amount determined under this subsection multiplied by nine-tenths
 38 (0.9) is the base year revenue for the entity described in subsection
 39 (d)(3). The amount determined under this subsection multiplied by
 40 one-tenth (0.1) is the base year revenue for the entity described in
 41 subsection (d)(4). The treasurer of state shall certify the base year
 42 revenue determined under this subsection to each entity subject to this

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1 subsection.

2 (j) This subsection does not apply to an entity receiving money
3 under subsection (c). For state fiscal years beginning after June 30,
4 2002, the total amount of money distributed to an entity under this
5 section during a state fiscal year may not exceed the entity's base year
6 revenue as determined under subsection (h) or (i). If the treasurer of
7 state determines that the total amount of money distributed to an entity
8 under this section during a state fiscal year is less than the entity's base
9 year revenue, the treasurer of state shall make a supplemental
10 distribution to the entity under IC 4-33-13-5(g).

11 (k) This subsection does not apply to an entity receiving money
12 under subsection (c). For state fiscal years beginning after June 30,
13 2002, the treasurer of state shall pay that part of the riverboat
14 admissions taxes that:

- 15 (1) exceed a particular entity's base year revenue; and
- 16 (2) would otherwise be due to the entity under this section;
17 to the property tax replacement fund instead of to the entity.

18 SECTION 21. IC 5-14-1.5-6.1, AS AMENDED BY P.L.200-2003,
19 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
20 JULY 1, 2005]: Sec. 6.1. (a) As used in this section, "public official"
21 means a person:

- 22 (1) who is a member of a governing body of a public agency; or
- 23 (2) whose tenure and compensation are fixed by law and who
24 executes an oath.

25 (b) Executive sessions may be held only in the following instances:

- 26 (1) Where authorized by federal or state statute.
- 27 (2) For discussion of strategy with respect to any of the following:
28 (A) Collective bargaining.
- 29 (B) Initiation of litigation or litigation that is either pending or
30 has been threatened specifically in writing.
- 31 (C) The implementation of security systems.
- 32 (D) The purchase or lease of real property by the governing
33 body up to the time a contract or option to purchase or lease is
34 executed by the parties.

35 However, all such strategy discussions must be necessary for
36 competitive or bargaining reasons and may not include
37 competitive or bargaining adversaries.

38 (3) For discussion of the assessment, design, and implementation
39 of school safety and security measures, plans, and systems.

40 (4) Interviews with industrial or commercial prospects or agents
41 of industrial or commercial prospects by the **Indiana economic
42 development corporation, the** department of ~~commerce~~;

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tourism, the office of energy policy, the Indiana development finance authority, the **Indiana** film commission, the Indiana business modernization and technology corporation, or economic development commissions.

(5) To receive information about and interview prospective employees.

(6) With respect to any individual over whom the governing body has jurisdiction:

(A) to receive information concerning the individual's alleged misconduct; and

(B) to discuss, before a determination, the individual's status as an employee, a student, or an independent contractor who is:

(i) a physician; or

(ii) a school bus driver.

(7) For discussion of records classified as confidential by state or federal statute.

(8) To discuss before a placement decision an individual student's abilities, past performance, behavior, and needs.

(9) To discuss a job performance evaluation of individual employees. This subdivision does not apply to a discussion of the salary, compensation, or benefits of employees during a budget process.

(10) When considering the appointment of a public official, to do the following:

(A) Develop a list of prospective appointees.

(B) Consider applications.

(C) Make one (1) initial exclusion of prospective appointees from further consideration.

Notwithstanding IC 5-14-3-4(b)(12), a governing body may release and shall make available for inspection and copying in accordance with IC 5-14-3-3 identifying information concerning prospective appointees not initially excluded from further consideration. An initial exclusion of prospective appointees from further consideration may not reduce the number of prospective appointees to fewer than three (3) unless there are fewer than three (3) prospective appointees. Interviews of prospective appointees must be conducted at a meeting that is open to the public.

(11) To train school board members with an outside consultant about the performance of the role of the members as public officials.

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(12) To prepare or score examinations used in issuing licenses, certificates, permits, or registrations under IC 15-5-1.1 or IC 25.

(c) A final action must be taken at a meeting open to the public.

(d) Public notice of executive sessions must state the subject matter by specific reference to the enumerated instance or instances for which executive sessions may be held under subsection (b). The requirements stated in section 4 of this chapter for memoranda and minutes being made available to the public is modified as to executive sessions in that the memoranda and minutes must identify the subject matter considered by specific reference to the enumerated instance or instances for which public notice was given. The governing body shall certify by a statement in the memoranda and minutes of the governing body that no subject matter was discussed in the executive session other than the subject matter specified in the public notice.

(e) A governing body may not conduct an executive session during a meeting, except as otherwise permitted by applicable statute. A meeting may not be recessed and reconvened with the intent of circumventing this subsection.

SECTION 22. IC 5-14-3-4.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: **Sec. 4.5. (a) Records relating to negotiations between the Indiana economic development corporation, the department of tourism, or the office of energy policy with industrial, research, or commercial prospects are excepted from section 3 of this chapter at the discretion of the corporation, department, or office if the records are created while negotiations are in progress.**

(b) Notwithstanding subsection (a), the terms of the final offer of public financial resources communicated by the Indiana economic development corporation, the department of tourism, or the office of energy policy to an industrial, a research, or a commercial prospect shall be available for inspection and copying under section 3 of this chapter after negotiations with that prospect have terminated.

(c) When disclosing a final offer under subsection (b), the Indiana economic development corporation, the department of tourism, or the office of energy policy, as applicable, shall certify that the information being disclosed accurately and completely represents the terms of the final offer.

SECTION 23. IC 5-10.2-2-18, AS ADDED BY P.L.224-2003, SECTION 186, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: **Sec. 18. (a) As used in this section, "high growth company" means a sole proprietorship, firm, corporation,**

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partnership, limited liability company, limited liability partnership, joint venture, trust, syndicate, or other business unit or association that:

(1) is primarily focused on commercialization of research and development, technology transfers, or the application of new technology or is determined by the ~~department of commerce~~ **Indiana economic development corporation** to have significant potential to:

(A) bring substantial capital into Indiana;

(B) create jobs;

(C) diversify the business base of Indiana; or

(D) significantly promote the purposes of this chapter in any other way;

(2) has had an average annual net worth of less than twenty million dollars (\$20,000,000) in each of the last two (2) calendar years; and

(3) is not engaged in a business involving:

(A) real estate;

(B) real estate development;

(C) insurance;

(D) professional services provided by an accountant, a lawyer, or a physician;

(E) retail sales, except when the primary purpose of the business is the development or support of electronic commerce using the Internet; or

(F) gas and oil exploration.

A company that meets the definition of a high growth company under this subsection shall be considered to meet the definition even if affiliated with one (1) or more other companies that do not meet the definition and regardless of whether any of the affiliated companies is engaged in a business involving the matters described in subdivision (3).

(b) As used in this section, "Indiana high growth company" means a high growth company as defined in subsection (a) that:

(1) has its headquarters in Indiana; and

(2) has:

(A) at least fifty percent (50%) of its employees residing in Indiana; or

(B) at least seventy-five percent (75%) of its assets located in Indiana.

(c) If the board decides to allocate part of the fund assets to funds investing in high growth companies, the board is strongly encouraged to establish the following:

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(1) A goal for investment in funds investing in Indiana high growth companies of at least twenty-five percent (25%) of the amount allocated to funds investing in high growth companies.

(2) A preference for investments described in subdivision (1) that are started in or assisted by Indiana universities and colleges.

(d) The board has five (5) years after the date the goals in subsection (c) are adopted to achieve the goal percentages.

(e) The board is not required to achieve the goal percentages under subsection (c) if the board, exercising financial and fiduciary prudence, determines that sufficient appropriate investments in privately held equity or debt assets are not available in Indiana.

(f) This section expires July 1, 2013.

SECTION 24. IC 5-13-12-7, AS AMENDED BY P.L.281-2001, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 7. (a) The board for depositories shall manage and operate the insurance fund. All expenses incident to the administration of the fund shall be paid out of the money accumulated in it subject to the direction of the board for depositories.

(b) Effective January 1 and July 1 in each year, the board shall before those dates redetermine the amount of the reserve to be maintained by the insurance fund. The establishment or any change in the reserve for losses shall be determined by the board based on a study to be made or updated by actuaries, economists, or other consultants based on the history of losses, earnings on the funds, conditions of the depositories, economic conditions affecting particular depositories or depositories in general, and any other factors that the board considers relevant in making its determination. The reserve determined by the board must be sufficient to ensure the safekeeping and prompt payment of public funds to the extent they are not covered by insurance of any federal deposit insurance agency.

(c) At the end of each biennial period during which depositories have had public funds on deposit under this chapter and paid the assessments levied by the board, the board shall compute its receipts from assessments and all other sources and its expenses and losses and determine the profit derived from the operation of the fund for the period. Until the amount of the reserve for losses has been accumulated, all assessments levied for a biennial period shall be retained by the fund. The amount of the assessments, if any, levied by the board shall, to the extent the fund exceeds the reserve for losses at the end of a biennial period commencing July 1 of each ~~odd~~ **odd-numbered** year, be distributed to the depositories that had public funds on deposit during the biennial period in which the assessments

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were paid. The distribution shall be made to the respective depositories in the proportion that the total assessments paid by each depository during that period bears to the total assessments then paid by all depositories. A distribution to which any closed depository would otherwise be entitled shall be set off against any claim that the insurance fund may have against the closed depository.

(d) The board may invest, reinvest, and exchange investments of the insurance fund in excess of the cash working balance in any of the following:

(1) In bonds, notes, certificates, and other valid obligations of the United States, either directly or, subject to the limitations in subsection (e), in the form of securities of or other interests in an open-end no-load management-type investment company or investment trust registered under the provisions of the Investment Company Act of 1940, as amended (15 U.S.C. 80a et seq.).

(2) In bonds, notes, debentures, and other securities issued by a federal agency or a federal instrumentality and fully guaranteed by the United States either directly or, subject to the limitations in subsection (e), in the form of securities of or other interests in an open-end no-load management-type investment company or investment trust registered under the provisions of the Investment Company Act of 1940, as amended (15 U.S.C. 80a et seq.).

(3) In bonds, notes, certificates, and other valid obligations of a state, or of an Indiana political subdivision that are issued under law, the issuers of which, for five (5) years before the date of the investment, have promptly paid the principal and interest on their bonds and other legal obligations.

(4) In bonds or other obligations of the state office building commission.

(5) In investments permitted the state under IC 5-13-10.5.

(6) In guarantees of industrial development obligations or credit enhancement obligations, or both, for the purposes of retaining and increasing employment in enterprises in Indiana, subject to the limitations and conditions set out in this subdivision, subsection (e), and section 8 of this chapter. An individual guarantee of the board under this subdivision must not exceed eight million dollars (\$8,000,000).

(7) In guarantees of bonds or notes issued under IC 5-1.5-4-1, subject to the limitations and conditions set out in subsection (e) and section 8 of this chapter.

(8) In bonds, notes, or other valid obligations of the Indiana development finance authority that have been issued in

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conjunction with the authority's acquisition, development, or improvement of property or other interests for an industrial development project (as defined in IC 4-4-10.9-11) that the authority has undertaken for the purposes of retaining or increasing employment in existing or new enterprises in Indiana, subject to the limitations in subsection (e).

(9) In notes or other debt obligations of counties, cities, and towns that have been issued under IC 6-1.1-39 for borrowings from the industrial development fund under ~~IC 4-4-8~~ **IC 5-28-10** for purposes of retaining or increasing employment in existing or new enterprises in Indiana, subject to the limitations in subsection (e).

(10) In bonds or other obligations of the Indiana housing finance authority.

(e) The investment authority of the board under subsection (d) is subject to the following limitations:

(1) For investments under ~~subsections~~ **subsection** (d)(1) and (d)(2), the portfolio of an open-end no-load management-type investment company or investment trust must be limited to:

(A) direct obligations of the United States and obligations of a federal agency or a federal instrumentality that are fully guaranteed by the United States; and

(B) repurchase agreements fully collateralized by obligations described in clause (A), of which the company or trust takes delivery either directly or through an authorized custodian.

(2) Total outstanding investments in guarantees of industrial development obligations and credit enhancement obligations under subsection (d)(6) must not exceed the greater of:

(A) ten percent (10%) of the available balance of the insurance fund; or

(B) fourteen million dollars (\$14,000,000).

(3) Total outstanding investments in guarantees of bond bank obligations under subsection (d)(7) must not exceed the greater of:

(A) twenty percent (20%) of the available balance of the insurance fund; or

(B) twenty-four million dollars (\$24,000,000).

(4) Total outstanding investments in bonds, notes, or other obligations of the Indiana development finance authority under subsection (d)(8) may not exceed the greater of:

(A) fifteen percent (15%) of the available balance of the insurance fund; or

(B) twenty million dollars (\$20,000,000).

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However, after June 30, 1988, the board may not make any additional investment in bonds, notes, or other obligations of the Indiana development finance authority, and the board may invest an amount equal to the remainder, if any, of:

(i) fifteen percent (15%) of the available balance of the insurance fund; minus

(ii) the board's total outstanding investments in bonds, notes, or other obligations of the Indiana development finance authority;

in guarantees of industrial development obligations or credit enhancement obligations, or both, as authorized by subsection (d)(6). In such a case, the outstanding investments, as authorized by ~~subsections~~ **subsection** (d)(6) and (d)(8), may not exceed in total the greater of twenty-five percent (25%) of the available balance of the insurance fund or thirty-four million dollars (\$34,000,000).

(5) Total outstanding investments in notes or other debt obligations of counties, cities, and towns under subsection (d)(9) may not exceed the greater of:

(A) ten percent (10%) of the available balance of the insurance fund; or

(B) twelve million dollars (\$12,000,000).

(f) For purposes of subsection (e), the available balance of the insurance fund does not include the outstanding principal amount of any fund investment in a corporate note or obligation or the portion of the fund that has been established as a reserve for losses.

(g) Except as provided in section 4 of this chapter, all interest and other income earned on investments of the insurance fund and all amounts collected by the board accrue to the fund.

(h) Members of the board and any officers or employees of the board are not subject to personal liability or accountability by reason of any investment in any of the obligations listed in subsection (d).

(i) The board shall, when directed by the state board of finance constituted by IC 4-9.1-1-1, purchase the loan made by the state board of finance ~~pursuant to~~ **under** IC 4-10-18-10(i). The loan shall be purchased by the board at a purchase price equal to the total of:

(1) the principal amount of the loan;

(2) the deferred interest payable ~~thereon~~; **on the loan**; and

(3) accrued interest to the date of purchase by the board.

Members of the board and any officers or employees of the board are not subject to personal liability or accountability by reason of the purchase of the loan under this subsection.

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1 SECTION 25. IC 5-19-1.5-7 IS AMENDED TO READ AS
 2 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 7. Notwithstanding
 3 anything to the contrary in ~~IC 4-4-7~~, **IC 5-28-9**, the Indiana ~~department~~
 4 ~~of commerce~~ is authorized to **economic development corporation**
 5 **may** make grant anticipation loans as authorized by this chapter from
 6 the fund ~~created~~ **established** by ~~IC 4-4-7~~ **IC 5-28-9-5**.

7 SECTION 26. IC 5-20-1-3 IS AMENDED TO READ AS
 8 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 3. ~~Authority Creation;~~
 9 ~~Membership; Terms; Expenses:~~ (a) There is created a public body
 10 corporate and politic of the state of Indiana to be known as the "Indiana
 11 housing finance authority". The authority ~~shall consist~~ **consists** of the
 12 director of the department of financial institutions, the ~~director~~
 13 **chairperson** of the ~~department board of commerce~~, the **Indiana**
 14 **economic development corporation**, the state treasurer and four (4)
 15 persons appointed by the governor, no more than two (2) of whom shall
 16 be members of the same political party. Of the members first appointed
 17 by the governor, two (2) shall be designated to serve for a term of three
 18 (3) years and two (2) for a term of four (4) years from the dates of their
 19 appointments, but thereafter members of the authority shall be
 20 appointed for a term of four (4) years, except that all vacancies shall be
 21 filled for the unexpired term. Any appointed member of the authority
 22 shall be removable at will by the governor, with or without cause. A
 23 member of the authority shall receive no compensation for his services
 24 but shall be entitled to the necessary expenses, including traveling
 25 expenses, incurred in the discharge of his duties. Each member shall
 26 hold office until his successor has been appointed and has qualified. A
 27 certificate of appointment or reappointment of any members shall be
 28 filed with the authority and this certificate shall be conclusive evidence
 29 of the due and proper appointments of the member.

30 (b) The powers of the authority ~~shall be~~ **are** vested in the members
 31 ~~thereof of the authority~~ in office. ~~from time to time~~. A majority of the
 32 members of the authority ~~shall~~ constitute a quorum for the purposes of
 33 conducting its business and exercising its powers and for all other
 34 purposes, notwithstanding the existence of any vacancies. Action may
 35 be taken by the authority upon a vote of a majority of the members
 36 present, unless the bylaws of the authority require a larger number.
 37 Meetings of the members of the authority may be held anywhere within
 38 or outside ~~the state~~ **Indiana**.

39 (c) The governor shall appoint a chairman and vice-chairman from
 40 the members of the authority. The authority shall employ an executive
 41 director, legal and technical experts and such other officers, agents and
 42 employees, permanent and temporary, as it may require, and shall

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determine their qualifications, duties and compensation. The authority may also engage independent legal counsel to assist it. The authority may delegate to one (1) or more of its agents or employees such powers or duties as it ~~may deem~~ **considers** proper.

SECTION 27. IC 5-20-1-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 4. (a) The authority has all of the powers necessary or convenient to carry out and effectuate the purposes and provisions of this chapter including the power:

(1) to make or participate in the making of construction loans to sponsors of multiple family residential housing that is federally assisted or assisted by a government sponsored enterprise, such as the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, or the Federal Agricultural Mortgage Corporation, the Federal Home Loan Bank, and other similar entities approved by the authority;

(2) to make or participate in the making of mortgage loans to sponsors of multiple family residential housing that is federally assisted or assisted by a government sponsored enterprise, such as the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, or the Federal Agricultural Mortgage Corporation, the Federal Home Loan Bank, and other similar entities approved by the authority;

(3) to purchase or participate in the purchase from mortgage lenders of mortgage loans made to persons of low and moderate income for residential housing;

(4) to make loans to mortgage lenders for the purpose of furnishing funds to such mortgage lenders to be used for making mortgage loans for persons and families of low and moderate income; however, the obligation to repay loans to mortgage lenders shall be general obligations of the respective mortgage lenders and shall bear such date or dates, shall mature at such time or times, shall be evidenced by such note, bond, or other certificate of indebtedness, shall be subject to prepayment, and shall contain such other provisions consistent with the purposes of this chapter as the authority shall by rule or resolution determine;

(5) to collect and pay reasonable fees and charges in connection with making, purchasing, and servicing of its loans, notes, bonds, commitments, and other evidences of indebtedness;

(6) to acquire real property, or any interest in real property, by conveyance, including purchase in lieu of foreclosure, or foreclosure, to own, manage, operate, hold, clear, improve, and

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rehabilitate such real property and sell, assign, exchange, transfer, convey, lease, mortgage, or otherwise dispose of or encumber such real property where such use of real property is necessary or appropriate to the purposes of the authority;

(7) to sell, at public or private sale, all or any part of any mortgage or other instrument or document securing a construction loan, a land development loan, a mortgage loan, or a loan of any type permitted by this chapter;

(8) to procure insurance against any loss in connection with its operations in such amounts and from such insurers as it ~~may deem~~ **considers** necessary or desirable;

(9) to consent, subject to the provisions of any contract with noteholders or bondholders which may then exist, whenever it ~~deems~~ **considers** it necessary or desirable in the fulfillment of its purposes to the modification of the rate of interest, time of payment of any installment of principal or interest, or any other terms of any mortgage loan, mortgage loan commitment, construction loan, loan to lender, or contract or agreement of any kind to which the authority is a party;

(10) to enter into agreements or other transactions with any federal, state, or local governmental agency for the purpose of providing adequate living quarters for such persons and families in cities and counties where a need has been found for such housing;

(11) to include in any borrowing such amounts as may be ~~deemed~~ **considered** necessary by the authority to pay financing charges, interest on the obligations (for a period not exceeding the period of construction and a reasonable time thereafter or if the housing is completed, two (2) years from the date of issue of the obligations), consultant, advisory, and legal fees and such other expenses as are necessary or incident to such borrowing;

(12) to make and publish rules respecting its lending programs and such other rules as are necessary to effectuate the purposes of this chapter;

(13) to provide technical and advisory services to sponsors, builders, and developers of residential housing and to residents and potential residents, including housing selection and purchase procedures, family budgeting, property use and maintenance, household management, and utilization of community resources;

(14) to promote research and development in scientific methods of constructing low cost residential housing of high durability;

(15) to encourage community organizations to participate in

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1 residential housing development;
 2 (16) to make, execute, and effectuate any and all agreements or
 3 other documents with any governmental agency or any person,
 4 corporation, association, partnership, limited liability company,
 5 or other organization or entity necessary or convenient to
 6 accomplish the purposes of this chapter;
 7 (17) to accept gifts, devises, bequests, grants, loans,
 8 appropriations, revenue sharing, other financing and assistance
 9 and any other aid from any source whatsoever and to agree to, and
 10 to comply with, conditions attached thereto;
 11 (18) to sue and be sued in its own name, plead and be impleaded;
 12 (19) to maintain an office in the city of Indianapolis and at such
 13 other place or places as it may determine;
 14 (20) to adopt an official seal and alter the same at pleasure;
 15 (21) to adopt and from time to time amend and repeal bylaws for
 16 the regulation of its affairs and the conduct of its business and to
 17 prescribe rules and policies in connection with the performance
 18 of its functions and duties;
 19 (22) to employ fiscal consultants, engineers, attorneys, real estate
 20 counselors, appraisers, and such other consultants and employees
 21 as may be required in the judgment of the authority and to fix and
 22 pay their compensation from funds available to the authority
 23 therefor;
 24 (23) to invest any funds held in reserve or in sinking fund
 25 accounts or any money not required for immediate disbursement
 26 in obligations of the state, the United States, or their agencies or
 27 instrumentalities and such other obligors as may be permitted
 28 under the terms of any resolution authorizing the issuance of the
 29 authority's obligations;
 30 (24) to make or participate in the making of construction loans,
 31 mortgage loans, or both, to individuals, partnerships, limited
 32 liability companies, corporations, and organizations for the
 33 construction of residential facilities for the developmentally
 34 disabled or for the mentally ill or for the acquisition or renovation,
 35 or both, of a facility to make it suitable for use as a new
 36 residential facility for the developmentally disabled or for the
 37 mentally ill;
 38 (25) to make or participate in the making of construction and
 39 mortgage loans to individuals, partnerships, corporations, limited
 40 liability companies, and organizations for the construction,
 41 rehabilitation, or acquisition of residential facilities for children;
 42 (26) to purchase or participate in the purchase of mortgage loans

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from:

(A) public utilities (as defined in IC 8-1-2-1); or

(B) municipally owned gas utility systems organized under IC 8-1.5;

if those mortgage loans were made for the purpose of insulating and otherwise weatherizing single family residences in order to conserve energy used to heat and cool those residences;

(27) to provide financial assistance to mutual housing associations (IC 5-20-3) in the form of grants, loans, or a combination of grants and loans for the development of housing for low and moderate income families; and

(28) to service mortgage loans made or acquired by the authority and to impose and collect reasonable fees and charges in connection with such servicing.

(b) The authority shall structure and administer any program conducted under subsection (a)(3) or (a)(4) ~~in order~~ to assure that no mortgage loan shall knowingly be made to a person whose adjusted family income shall exceed one hundred twenty-five percent (125%) of the median income for the geographic area within which the person resides and at least forty percent (40%) of the mortgage loans so financed shall be for persons whose adjusted family income shall be below eighty percent (80%) of the median income for such area.

(c) In addition to the powers set forth in subsection (a), the authority may, with the proceeds of bonds and notes sold to retirement plans covered by IC 5-10-1.7, structure and administer a program of purchasing or participating in the purchasing from mortgage lenders of mortgage loans made to qualified members of retirement plans and other individuals. The authority shall structure and administer any program conducted under this subsection to assure that:

(1) each mortgage loan is made as a first mortgage loan for real property:

(A) that is a single family dwelling, including a condominium or townhouse, located in Indiana;

(B) for a purchase price of not more than ninety-five thousand dollars (\$95,000);

(C) to be used as the purchaser's principal residence; and

(D) for which the purchaser has made a down payment in an amount determined by the authority;

(2) no mortgage loan exceeds seventy-five thousand dollars (\$75,000);

(3) any bonds or notes issued which are backed by mortgage loans purchased by the authority under this subsection shall be offered

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for sale to the retirement plans covered by IC 5-10-1.7; and
 (4) qualified members of a retirement plan shall be given preference with respect to the mortgage loans that in the aggregate do not exceed the amount invested by their retirement plan in bonds and notes issued by the authority that are backed by mortgage loans purchased by the authority under this subsection.

(d) As used in this section, "a qualified member of a retirement plan" means an active or retired member:

(1) of a retirement plan covered by IC 5-10-1.7 that has invested in bonds and notes issued by the authority that are backed by mortgage loans purchased by the authority under subsection (c); and

(2) who for a minimum of two (2) years preceding the member's application for a mortgage loan has:

(A) been a full-time state employee, teacher, judge, police officer, or firefighter;

(B) been a full-time employee of a political subdivision participating in the public employees' retirement fund;

(C) been receiving retirement benefits from the retirement plan; or

(D) a combination of employment and receipt of retirement benefits equaling at least two (2) years.

~~(e) Beginning with the 1991 program year,~~ The authority, when directed by the governor, shall administer:

(1) the rental rehabilitation program established by the Housing Assistance Act of 1937 (42 U.S.C. 1437o); and

(2) federal funds allocated to the rental rehabilitation program under the Housing Assistance Act of 1937 (42 U.S.C. 1437o).

~~(f) The authority may contract with the division of family and children and the department of commerce so that the authority may administer the program and funds described under subsection (e) for program years before 1991.~~

SECTION 28. IC 5-20-4-15, AS AMENDED BY P.L.215-2001, SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 15. (a) The housing trust fund advisory committee is established.

(b) The committee consists of sixteen (16) members to be appointed by the governor as follows:

(1) One (1) member of the division of mental health and addiction.

(2) One (1) member of the division of family and children.

(3) One (1) member of the division of disability, aging, and

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rehabilitative services.

(4) One (1) member of the ~~department of commerce~~. **Indiana economic development corporation.**

(5) One (1) member to represent residential real estate developers.

(6) One (1) member to represent construction trades.

(7) One (1) member to represent banks and other lending institutions.

(8) One (1) member to represent the interests of persons with disabilities.

(9) One (1) member to represent service providers.

(10) Two (2) members to represent neighborhood groups.

(11) One (1) member to represent low income families.

(12) One (1) member to represent nonprofit community based organizations and community development corporations.

(13) One (1) member to represent real estate brokers or salespersons.

(14) One (1) member to represent the Indiana Apartment Owner's Association.

(15) One (1) member to represent the manufactured housing industry.

At least three (3) members of the committee shall be from a city with a population of less than thirty-five thousand (35,000), a town, or a rural area.

(c) Members of the advisory committee shall serve a term of three (3) years. However, the governor may remove for cause an appointed member of the advisory committee and fill vacancies of appointed members on the advisory committee.

(d) The advisory committee shall make recommendations to the housing finance authority regarding:

(1) the development of policies and procedures under section 14 of this chapter; and

(2) long term sources to capitalize the housing trust fund, including the following:

(A) Revenue from development ordinances, fees, or taxes.

(B) Market based or private revenue.

(C) Revenue generated from government programs, foundations, private individuals, or corporations.

(e) The advisory committee shall prepare and present an annual report that:

(1) describes disbursements under the housing trust fund; and

(2) makes recommendations to the board of the Indiana housing finance authority regarding long term sources to capitalize the

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housing trust fund.

SECTION 29. IC 5-22-1-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 2. Except as provided in this article, this article does not apply to the following:

- (1) The commission for higher education.
- (2) A state educational institution. However, IC 5-22-15 applies to a state educational institution.
- (3) Military officers and military and armory boards of the state.
- (4) An entity established by the general assembly as a body corporate and politic, **other than the Indiana economic development corporation**. However, IC 5-22-15 applies to a body corporate and politic.
- (5) A local hospital authority under IC 5-1-4.
- (6) A municipally owned utility under IC 8-1-11.1 or IC 8-1.5.
- (7) Hospitals organized or operated under IC 16-22-1 through IC 16-22-5, IC 16-23-1, or IC 16-24-1.
- (8) A library board under IC 20-14-3-14(b).
- (9) A local housing authority under IC 36-7-18.
- (10) Tax exempt Indiana nonprofit corporations leasing and operating a city market owned by a political subdivision.
- (11) A person paying for a purchase or lease with funds other than public funds.
- (12) A person that has entered into an agreement with a governmental body under IC 5-23.
- (13) A municipality for the operation of municipal facilities used for the collection, treatment, purification, and disposal in a sanitary manner of liquid and solid waste, sewage, night soil, and industrial waste.

SECTION 30. IC 5-22-14-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 3. (a) A governmental body may adopt rules to implement this chapter. The Indiana department of administration shall adopt rules under IC 4-22-2 to implement this chapter.

(b) The rules adopted by a governmental body must establish criteria for determining qualifications as a small business. In establishing criteria, the rules may use any standards established for determination of small business status that are used by an agency of the federal government. A governmental body may also receive assistance from the Indiana ~~department of commerce~~ **economic development corporation** to establish criteria or to implement the rules.

(c) The rules adopted by a governmental body may consider the number of employees employed by an offeror and the dollar volume of

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the offeror's business. The rules must provide that when computing the size of an offeror, the annual sales and receipts of the offeror and all of its affiliates must be included.

(d) The rules adopted by a governmental body must include the following criteria:

(1) A wholesale business is not a small business if its annual sales for its most recently completed fiscal year exceed four million dollars (\$4,000,000).

(2) A construction business is not a small business if its average annual receipts for the preceding three (3) fiscal years exceed four million dollars (\$4,000,000).

(3) A retail business or business selling services is not a small business if its annual sales and receipts exceed five hundred thousand dollars (\$500,000).

(4) A manufacturing business is not a small business if it employs more than one hundred (100) persons.

SECTION 31. IC 5-22-14-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 9. The ~~department of commerce~~ **Indiana economic development corporation** may assist a governmental body in doing any of the following:

(1) Compiling and maintaining a comprehensive list of small businesses.

(2) Assisting small businesses in complying with the procedures for bidding on governmental contracts.

(3) Examining requests from governmental bodies for the purchase of supplies to help determine which purchases are to be designated small business set-asides.

(4) Simplifying specifications and contract terms to increase the opportunities for small business participation in governmental contracts.

(5) Investigations by a governmental body to determine the responsibility of offerors on small business set-asides.

SECTION 32. IC 5-28 IS ADDED TO THE INDIANA CODE AS A NEW ARTICLE TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]:

ARTICLE 28. INDIANA ECONOMIC DEVELOPMENT CORPORATION

Chapter 1. Purpose

Sec. 1. The purpose of this article is to improve the quality of life for the citizens of Indiana by encouraging:

(1) the diversification of Indiana's economy;

(2) the creation of new jobs;

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(3) the retention of existing jobs;

(4) the growth and modernization of existing industry; and

(5) the promotion of the state.

Chapter 2. Definitions

Sec. 1. The definitions in this chapter apply throughout this article.

Sec. 2. "Board" refers to the board of the corporation established by IC 5-28-4-1.

Sec. 3. Except as otherwise provided, "corporation" refers to the Indiana economic development corporation established by IC 5-28-3-1.

Sec. 4. "Economic development" refers to the purposes described in IC 5-28-1-1.

Sec. 5. "Office" refers to the office of economic development established by IC 5-28-7-1.

Chapter 3. Indiana Economic Development Corporation

Sec. 1. The Indiana economic development corporation is established.

Sec. 2. The corporation is a body politic and corporate, not a state agency but an independent instrumentality exercising essential public functions.

Sec. 3. Employees of the corporation are not employees of the state.

Chapter 4. Corporation Board

Sec. 1. The corporation shall be governed by a board.

Sec. 2. The board is composed of the following twenty-six (26) members, none of whom may be members of the general assembly:

(1) Fifteen (15) persons appointed by the governor who must be employed in or retired from the private or nonprofit sector. The following apply to appointments under this subdivision:

(A) The governor shall consider the recommendation of the speaker of the house of representatives when making one (1) appointment.

(B) The governor shall consider the recommendation of the minority leader of the house of representatives when making one (1) appointment.

(C) The governor shall consider the recommendation of the president pro tempore of the senate when making one (1) appointment.

(D) The governor shall consider the recommendation of the minority leader of the senate when making one (1)

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- 1 **appointment.**
- 2 **(2) The lieutenant governor.**
- 3 **(3) Seven (7) persons appointed by the governor who must be**
- 4 **employed in or retired from the private or nonprofit sector or**
- 5 **academia, on recommendation of the following:**
- 6 **(A) The president of Indiana University.**
- 7 **(B) The president of Purdue University.**
- 8 **(C) The president of Indiana State University.**
- 9 **(D) The president of Ball State University.**
- 10 **(E) The president of the University of Southern Indiana.**
- 11 **(F) The president of Ivy Tech State College.**
- 12 **(G) The president of Vincennes University.**
- 13 **(4) The chairman of the Indiana port commission established**
- 14 **by IC 8-10-1-3 or the chairman's designee, who is a nonvoting**
- 15 **member of the board.**
- 16 **(5) The chairman of the Indiana development finance**
- 17 **authority established by IC 4-4-11-4 or the chairman's**
- 18 **designee, who is a nonvoting member of the board. However,**
- 19 **if the lieutenant governor is the chairman of the Indiana**
- 20 **development finance authority, the members of the Indiana**
- 21 **development finance authority shall appoint another member**
- 22 **of the authority to serve under this subdivision.**
- 23 **(6) The director of the department of tourism established by**
- 24 **IC 5-29-2-1, or the director's designee, who is a nonvoting**
- 25 **member of the board.**
- 26 **Sec. 3. (a) Subject to section 4 of this chapter, the terms of office**
- 27 **of the voting members of the board are as follows:**
- 28 **(1) Members appointed by the governor serve for terms of**
- 29 **four (4) years.**
- 30 **(2) Members appointed by the president of a university or**
- 31 **college serve for terms of two (2) years.**
- 32 **(b) Each member holds office for the term of appointment and**
- 33 **shall continue to serve after expiration of the appointment until a**
- 34 **successor is appointed and qualified. Members are eligible for**
- 35 **reappointment.**
- 36 **Sec. 4. The terms of the initial board members expire July 1,**
- 37 **2005.**
- 38 **Sec. 5. The lieutenant governor shall serve as chairperson of the**
- 39 **board.**
- 40 **Sec. 6. The members of the board are entitled to a salary per**
- 41 **diem for attending meetings equal to the per diem provided by law**
- 42 **for members of the general assembly. The members of the board**

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are entitled to receive reimbursement for actual and necessary expenses on the same basis as state employees.

Sec. 7. Fifteen (15) voting members constitute a quorum for the transaction of business. The affirmative vote of at least twelve (12) voting members is necessary for action to be taken by the board. Members may vote by written proxy delivered in advance to any other member who is present at the meeting.

Sec. 8. Meetings of the board shall be held at the call of the chairperson or whenever any six (6) voting members request a meeting. The members shall meet at least once every three (3) months to attend to the business of the board.

Chapter 5. General Powers

Sec. 1. The corporation shall carry out the economic development functions of the state in conformity with the laws enacted by the general assembly.

Sec. 2. The corporation is granted all powers necessary or appropriate to carry out and effectuate the corporation's public and corporate purposes under this chapter.

Sec. 3. The corporation may, without the approval of the attorney general or any other state officer, employ legal counsel, technical experts, and other officers, agents, and employees, permanent or temporary, the corporation considers necessary to carry out the efficient operation of the corporation.

Sec. 4. The corporation shall determine qualifications, duties, compensation, and terms of service for persons employed by the corporation as employees or as independent contractors.

Sec. 5. The board and the employees of the corporation are under the jurisdiction of and rules adopted by the state ethics commission. However, the board may adopt additional ethics rules and requirements that are more stringent than those adopted by the state ethics commission.

Sec. 6. The board may establish entities to advise the board and the corporation on issues determined by the board. If the board establishes an advisory entity under this section, the advisory entity must:

- (1) have members that represent diverse geographic areas and economic sectors of Indiana; and
- (2) include members or representatives of local economic development organizations.

Sec. 7. For purposes of IC 34-13-2, IC 34-13-3, and IC 34-13-4, the board and the employees of the corporation are public employees (as defined in IC 34-6-2-38).

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Chapter 6. Duties; Oversight

Sec. 1. On July 1, 2005, the following entities become subsidiaries or agencies of the corporation:

(1) Indiana small business development corporation established by IC 5-28-27-1.

(2) Indiana economic development council established under IC 5-28-33.

(3) The Indiana twenty-first century research and technology fund established by IC 5-28-26-3.

(4) The Indiana film commission established by IC 5-28-31-1.

(5) Indiana business modernization and technology corporation established under IC 5-28-32.

Sec. 2. Beginning July 1, 2005, the corporation is responsible for overseeing the operations of the entities described in section 1 of this chapter.

Sec. 3. The corporation shall do the following:

(1) Create and regularly update a strategic economic development plan.

(2) Establish strategic benchmarks and performance measures.

(3) Monitor and report on Indiana's economic performance.

(4) Market Indiana to businesses worldwide.

(5) Assist Indiana businesses that want to grow.

(6) Solicit funding from the private sector for selected initiatives.

Sec. 4. The corporation shall consult with the Indiana port commission and the Indiana development finance authority in creating and updating the strategic economic development plan under section 3(1) of this chapter.

Chapter 7. Office of Economic Development

Sec. 1. The office of economic development is established within the corporation.

Sec. 2. The office shall staff the board.

Sec. 3. The office shall carry out the functions of the corporation under the direction of the board. The office shall carry out the regional delivery of services provided by the office.

Sec. 4. The board shall appoint the director of the office.

Sec. 5. (a) The office shall develop and promote programs designed to make the best use of the resources of the state to assure a balanced economy and continuing economic growth for Indiana and for those purposes may do the following:

(1) Cooperate with federal, state, and local governments and

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agencies in the coordination of programs to make the best use of the resources of the state.

(2) Receive and expend funds, grants, gifts, and contributions of money, property, labor, interest accrued from loans made by the corporation, and other things of value from public and private sources, including grants from agencies and instrumentalities of the state and the federal government. The office:

(A) may accept federal grants for providing planning assistance, making grants, or providing other services or functions necessary to political subdivisions, planning commissions, or other public or private organizations;

(B) shall administer these grants in accordance with the terms of the grants; and

(C) may contract with political subdivisions, planning commissions, or other public or private organizations to carry out the purposes for which the grants were made.

(3) Direct that assistance, information, and advice regarding the duties and functions of the office be given the office by an officer, agent, or employee of the state. The head of any other state department or agency may assign one (1) or more of the department's or agency's employees to the office on a temporary basis, or may direct a division or an agency under the department's or agency's supervision and control to make a special study or survey requested by the director of the office.

(b) The office shall perform the following duties:

(1) Develop and implement industrial development programs to encourage expansion of existing industrial, commercial, and business facilities within Indiana and to encourage new industrial, commercial, and business locations within Indiana.

(2) Assist businesses and industries in acquiring, improving, and developing overseas markets and encourage international plant locations within Indiana. The office, with the approval of the governor, may establish foreign offices to assist in this function.

(3) Promote the growth of minority business enterprises by doing the following:

(A) Mobilizing and coordinating the activities, resources, and efforts of governmental and private agencies, businesses, trade associations, institutions, and individuals.

(B) Assisting minority businesses in obtaining

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governmental or commercial financing for expansion, establishment of new businesses, or individual development projects.

(C) Aiding minority businesses in procuring contracts from governmental or private sources, or both.

(D) Providing technical, managerial, and counseling assistance to minority business enterprises.

(E) Assisting the governor's commission on minority and women's business enterprises.

(4) Assist in community economic development planning and the implementation of programs designed to further this development.

(5) Assist the commissioner of agriculture in promoting and marketing of Indiana's agricultural products and provide staff assistance to the commissioner of agriculture.

(6) Implement a federal program delegated to the state to effectuate the purposes of this chapter.

(7) Promote the growth of small businesses by doing the following:

(A) Assisting small businesses in obtaining and preparing the permits required to conduct business in Indiana.

(B) Serving as a liaison between small businesses and state agencies.

(C) Providing information concerning business assistance programs available through government agencies and private sources.

(8) Assist the Indiana commission for agriculture and rural development in performing its functions under IC 15-9-10.

(c) The office may do the following:

(1) Disseminate information concerning the industrial, commercial, governmental, educational, cultural, recreational, agricultural, and other advantages of Indiana.

(2) Plan, direct, and conduct research activities.

(3) Assist in community economic development planning and the implementation of programs designed to further this development.

Chapter 8. Training 2000 Program and Fund

Sec. 1. As used in this chapter, "business" includes an entity that has the objective of supplying a service or an article of trade or commerce.

Sec. 2. The corporation shall do the following:

(1) Establish policies to carry out a training assistance

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program, the purpose of which is to provide assistance to the following:

(A) New or expanding businesses for the training, retraining, and upgrading of the skills of potential employees.

(B) Businesses in Indiana for the retraining and upgrading of employees' skills required to support new capital investment.

(C) Businesses in Indiana for the development of basic workforce skills of employees, including the following:

(i) Literacy.

(ii) Communication skills.

(iii) Computational skills.

(iv) Other transferable workforce skills approved by the corporation.

(2) Provide promotional materials regarding the training program.

(3) Determine the eligibility of an industry for the training program.

(4) Require a commitment by a business receiving training assistance under this chapter to continue operations at a site on which the training assistance is used for at least five (5) years after the date the training assistance expires. If a business fails to comply with this commitment, the corporation shall require the business to repay the training assistance provided to the business under this chapter.

Sec. 3. The corporation may do the following:

(1) Adopt policies and guidelines necessary to carry out this chapter.

(2) Accept money and other things of value from all sources to carry out the purposes of the training program.

(3) Provide services and materials in order to carry out the purposes of the training program.

(4) Develop or assist in the development of training plans.

(5) Evaluate the training program with respect to the program's impact on the improvement of workforce skills, job creation, and job retention.

(6) Involve other entities, by contract or otherwise, in carrying out the purposes of the training program.

Sec. 4. Participation in the training program is limited to businesses that:

(1) meet the eligibility requirements of the corporation; and

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(2) comply with the provisions of this chapter.

Sec. 5. (a) The training 2000 fund is established to be used exclusively for the purposes of this chapter, including paying for the costs of administering this chapter. The fund shall be administered by the corporation.

(b) The fund consists of appropriations from the general assembly and gifts and grants to the fund.

(c) The treasurer of state shall invest the money in the fund not currently needed to meet the obligations of the fund in the same manner as other public funds may be invested. Interest that accrues from these investments shall be deposited in the fund.

(d) The money in the fund at the end of a state fiscal year does not revert to the state general fund but remains in the fund to be used exclusively for the purposes of this chapter.

Chapter 9. Economic Development Fund

Sec. 1. As used in this chapter, "federal agency" means the Economic Development Administration of the United States Department of Commerce.

Sec. 2. As used in this chapter, "federal program" means a federal loan or grant program that promotes economic development.

Sec. 3. As used in this chapter, "fund" refers to the economic development fund established by this chapter.

Sec. 4. As used in this chapter, "qualified entity" means the state, a political subdivision of the state, an agency of either, a not-for-profit corporation, or the Indiana development finance authority established under IC 4-4-10.9 and IC 4-4-11.

Sec. 5. (a) The economic development fund is established. The fund is a revolving fund to provide grants and loans for economic development activities in Indiana. The expenses of administering the fund shall be paid from the fund.

(b) Money in the fund does not revert to the state general fund at the end of a fiscal year. Earnings on the money in the fund remain in the fund.

(c) The money in the fund shall be kept intact by separate entries by the auditor of state. No part of the fund may be used for a purpose other than the purpose specified in this chapter.

Sec. 6. The treasurer of state shall administer the fund and may invest the money in the fund. The treasurer of state shall also:

(1) receive cash receipts belonging to the fund, deposit these amounts in the fund, and submit a monthly report to the corporation of these transactions; and

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(2) make payments on vouchers authorized by the corporation.

Sec. 7. The auditor of state shall draw warrants on the treasurer of state in payment of properly prepared vouchers signed by the director of the office within the corporation or the director's designee.

Sec. 8. (a) The corporation shall administer the fund and receive grants allocated by a federal program for the purposes specified in section 9(c) of this chapter. Guidelines shall be prepared by the corporation enumerating the qualification procedures for receipt of grants and loans from the fund. These guidelines must be consistent with state law and federal program requirements.

(b) The director of the office, with the approval of the budget agency and the governor, shall allocate parts of the fund for the purposes specified in section 9(c) of this chapter. The corporation shall make allocations on the basis of the need of the qualified entity.

(c) The corporation shall keep complete sets of records showing all transactions by the fund in such a manner as to be able to prepare at the end of each fiscal year a complete report for the general assembly. The information in the report must be sufficient to permit a complete review and understanding of the operation and financial condition of the fund. The report must be submitted in electronic format under IC 5-14-6.

Sec. 9. (a) If federal money will not be used in conjunction with fund money, a qualified entity that wants a grant from the fund must submit an application for the grant to the corporation. The corporation shall review the application and may approve the application if the activities for which the grant money is to be used are activities:

(1) that the qualified entity has statutory authority to perform; and

(2) for which this chapter permits fund money to be used.

(b) When fund money is to be used to match federal money, a qualified entity that wants a grant must submit to the corporation an application for a grant under the federal program. The corporation shall review the application and shall submit the application to the federal agency, if the corporation finds that the activities for which the grant money is to be used are activities:

(1) that the qualified entity has statutory authority to perform; and

(2) that the federal program permits money to be used.

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Before submitting an application to the federal agency, the corporation must also approve the completeness and technical accuracy of the qualified entity's application.

(c) Money from the fund and money from a federal program may be used for the following projects:

- (1) Public works.
- (2) Technical assistance.
- (3) Economic adjustment assistance.
- (4) Other economic development programs.

(d) If the qualified entity proposes to use its money for a loan program, the application from the qualified entity must contain the conditions under which loans will be made and the interest rate that will be charged.

Sec. 10. (a) A qualified entity may apply to the corporation for a loan from the fund to be used for economic development programs.

(b) An amount loaned to a qualified entity is an obligation of that qualified entity and shall be repaid to the corporation within a time to be fixed by the corporation, not to exceed three (3) years.

(c) The corporation shall determine interest rates for loans to be made under this section.

(d) Final disbursements of money under this section must be made with the approval of the state board of finance.

(e) If a qualified entity fails to make repayment of money loaned under this section, the amount payable may be:

- (1) withheld by the auditor of state from money payable to the qualified entity and transferred to the fund; or
- (2) recovered in an action by the state on relation of the corporation, prosecuted by the attorney general, in the circuit or superior court of the county in which the qualified entity is located.

Chapter 10. Industrial Development Program and Fund

Sec. 1. As used in this chapter, "enterprise zone" means an enterprise zone created under IC 5-28-20 (or IC 4-4-6.1 before its repeal).

Sec. 2. As used in this chapter, "governing body" means the legislative body of a city, town, or county, an economic development commission, or a board administering the affairs of a special taxing district.

Sec. 3. As used in this chapter, "industrial development program" means a program designed to aid the growth of industry in Indiana and includes:

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(1) the construction of airports, airport facilities, and tourist attractions;

(2) the construction, extension, or completion of sewerlines, waterlines, streets, sidewalks, bridges, roads, highways, public ways, and information and high technology infrastructure;

(3) the leasing or purchase of property, both real and personal; and

(4) the preparation of surveys, plans, and specifications for the construction of publicly owned and operated facilities, utilities, and services.

Sec. 4. As used in this chapter, "information and high technology infrastructure" includes, but is not limited to, fiber optic cable and other infrastructure that supports high technology growth and the purchase and installation of fiber optic cable and other infrastructure.

Sec. 5. As used in this chapter, "minority enterprise small business investment company" means an investment company licensed under 15 U.S.C. 681(D).

Sec. 6. As used in this chapter, "qualified entity" means a city, a town, a county, an economic development commission, or a special taxing district.

Sec. 7. As used in this chapter, "small business investment company" means an investment company licensed under 15 U.S.C. 691 et seq.

Sec. 8. The general assembly finds that:

(1) areas in Indiana have insufficient employment opportunities and insufficient diversification of industry;

(2) these conditions are harmful to the health, prosperity, economic stability, and general welfare of these areas and, if not remedied, will be detrimental to the development of these areas; and

(3) the use of money under this chapter and the fostering of industrial development programs serves a public purpose.

Sec. 9. (a) The industrial development fund is established. Loans may be made to qualified entities, small business investment companies, and minority enterprise small business investment companies in accordance with this chapter and the policies and guidelines adopted under it.

(b) The administrative control of the fund and the responsibility for the administration of this chapter are vested jointly in the state board of finance and the corporation. The corporation, subject to the approval of the state board of finance, may adopt policies and

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1 guidelines for the proper administration of the fund and this
 2 chapter. The corporation may employ personnel necessary to
 3 efficiently administer this chapter.

4 Sec. 10. (a) There is appropriated to the industrial development
 5 fund from the state general fund two million dollars (\$2,000,000).
 6 This sum does not revert to the state general fund but constitutes
 7 a revolving fund to be used exclusively for the purpose of this
 8 chapter. The corporation, subject to the approval of the state
 9 board of finance, may order the auditor of state to make an
 10 approved loan from the revolving fund to a qualified entity
 11 (including the purchase of bonds of the qualified entity), a small
 12 business investment company, or a minority enterprise small
 13 business investment company.

14 (b) A qualified entity may borrow funds from the corporation
 15 under this chapter and shall use the loan proceeds for the purpose
 16 of instituting and administering an approved industrial
 17 development program. The combined amount of outstanding loans
 18 to any one (1) program may not exceed one million dollars
 19 (\$1,000,000). However, the one million dollar (\$1,000,000)
 20 restriction in this subsection does not apply to an approved
 21 industrial development program in an economic development
 22 district established by a qualified entity under IC 6-1.1-39. A loan
 23 made under this chapter to an economic development commission
 24 is not a loan to or an obligation of the qualified entity that formed
 25 the commission, if the repayment of the loan is limited to a
 26 specified revenue source under section 15 of this chapter.

27 (c) A small business investment company or a minority
 28 enterprise small business investment company may use the loan
 29 proceeds for any lawful purpose.

30 (d) Notwithstanding any other law (including IC 5-1-11), the
 31 loan to a qualified entity under this section may be directly
 32 negotiated with the corporation without public sale of bonds or
 33 other evidences of indebtedness of the qualified entity.

34 Sec. 11. A qualified entity may institute and administer an
 35 industrial development program that is approved by ordinance or
 36 resolution adopted by the governing body of the qualified entity
 37 and approved by the corporation.

38 Sec. 12. (a) The state board of finance and the corporation shall
 39 authorize the making of a loan to a qualified entity under this
 40 chapter only when all of the following conditions exist:

41 (1) An application for the loan has been submitted by the
 42 qualified entity, in a verified petition, to the state board of

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1 finance and the corporation in the manner and form as the
 2 state board of finance and the corporation direct. The
 3 application must set forth all the following:

4 (A) The need for the program and the need for funds for
 5 instituting and administering the program.

6 (B) An engineering estimate of the cost of the proposed
 7 program acceptable to the state board of finance and the
 8 corporation.

9 (C) The amount of money needed.

10 (D) Other information that is requested by the state board
 11 of finance and the corporation.

12 (2) The proposed program has been approved by the state
 13 board of finance and the corporation, which they may do only
 14 if they have determined that the program is based on sound
 15 engineering principles and is in the interest of industrial
 16 development.

17 (3) The loan does not exceed one hundred percent (100%) of
 18 the cost to the qualified entity of an approved program, with
 19 the cost of the program to be based on an estimate made by a
 20 competent engineering authority and approved by the
 21 corporation.

22 (4) The qualified entity has agreed to furnish assurance,
 23 satisfactory to the state board of finance and the corporation,
 24 that the qualified entity will operate and maintain the
 25 program, after completion, in a satisfactory manner.

26 (b) The state board of finance and the corporation shall
 27 authorize a loan to a small business investment company or
 28 minority enterprise small business investment company under this
 29 chapter only if:

30 (1) the small business investment company or minority
 31 enterprise small business investment company has loaned to
 32 or invested in a business located in an enterprise zone for a
 33 purpose directly related to the enterprise zone an amount that
 34 is at least twice the amount of the requested loan; and

35 (2) the small business investment company or minority
 36 enterprise small business investment company has submitted
 37 an application, before the beginning of the phase out period of
 38 the enterprise zone, to the state board of finance and the
 39 corporation that shows the amount of the loan requested and
 40 other information that is requested by the state board of
 41 finance and the corporation.

42 Sec. 13. (a) The qualified entity may provide labor, equipment,

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and materials from any source at its disposal for such a program, and participation in accomplishment of the project or projects may be:

(1) evaluated by the state board of finance and the corporation; and

(2) computed as a part or all of the share of cost that the qualified entity is required to pay toward the total cost of the project or projects for which the loan is obtained.

(b) When participation as described in this section is authorized, the participation must be under direction of the governing body, and when cash amounts are included in the qualified entity's share of total cost, the cost amounts shall be provided in the usual and accepted manner for the financing of the affairs of the qualified entity. Costs of engineering and legal services to the borrower may be regarded as a part of the total cost of the project.

Sec. 14. (a) The state board of finance and the corporation shall determine and ascribe to an applicant for a loan a priority rating. The rating must be based primarily on the need of the qualified entity for a proposed program or on the need of the small business investment company or minority enterprise small business investment company for the loan as the need is related to the needs of other applicants for loans.

(b) The qualified entities, small business investment companies, or minority enterprise small business investment company having the highest priority rating shall be given first consideration when loans are made under this chapter. The loans shall be made in descending order as shown by the priority ratings.

Sec. 15. (a) A loan made under this chapter is subject to the following restrictions:

(1) The repayment period may not exceed fifteen (15) years.

(2) The interest rate is to be set by the state board of finance at the time the loan is approved.

(3) Interest reverts to the industrial development fund established by this chapter.

(4) The loan must be repaid in installments including interest on the unpaid balance according to a repayment schedule approved by the state board of finance for that loan. However, on the approval of the state board of finance, the repayment of principal may be deferred for a period not to exceed two (2) years.

(5) Subject to subsection (b) the repayment of the loan may be limited to a specified revenue source of the qualified entity

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and, if limited, is not a general obligation of the unit and is payable solely from the specified revenue source.

(6) If the qualified entity levies a tax to repay the loan, the first installment of the loan is due from funds received from the first levy.

(7) If prepayment of the loan is made, a penalty may not be charged.

(b) A qualified entity may borrow money under this chapter only under an ordinance adopted under IC 36-1-3-6 as follows:

(1) If the qualified entity is a city, town, or county, by the qualified entity.

(2) If the qualified entity is an economic development commission, by the city, town, or county that established the economic development commission.

(3) If the qualified entity is a special taxing district established by the city, town, or county, by the city, town, or county that established the special taxing district.

(4) If the qualified entity is a special taxing district that was not established by a city, town, or county, by the county in which the special taxing district is located.

If repayment of the loan is to be from a specified revenue source under subsection (a)(5), the ordinance must state the revenue source and must state that the qualified entity is not obligated to pay the principal or interest on the loan except from the specified revenue source. An ordinance may not provide for repayment from a specified revenue source if the repayment would impair the qualified entity's contract with an owner of outstanding obligations payable from the specified revenue source.

(c) Notwithstanding any other law, the qualified entity may enter into loans under this chapter without obtaining the approval of any other body.

Sec. 16. A qualified entity receiving a loan under this chapter may levy an annual tax on personal and real property located within the qualified entity's geographical limits for industrial development purposes, in addition to any other tax authorized by statute to be levied for such purposes, at a rate as will produce sufficient revenue to pay the annual installment and interest on a loan made under this chapter. The tax may be in addition to the maximum annual rates prescribed by IC 6-1.1-18, IC 6-1.1-18.5, IC 6-1.1-19, and other statutes.

Sec. 17. (a) If a qualified entity fails to make repayment of money lent under this chapter or is in any way indebted to the

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1 industrial development fund for any amounts incurred or accrued,
2 the amount payable may be:

- 3 (1) withheld by the auditor of state as set forth in the loan
4 agreement with the qualified entity from any money payable
5 to the qualified entity and transferred to the fund; or
6 (2) recovered in an action by the state on relation of the
7 corporation, prosecuted by the attorney general, in the circuit
8 or superior court of the county in which the qualified entity is
9 located.

10 (b) If a small business investment corporation or a minority
11 enterprise small business investment company fails to make
12 repayment of money lent under this chapter or is in any way
13 indebted to the industrial development fund for any amounts
14 incurred or accrued, the amount payable may be recovered in an
15 action by the state on relation of the corporation, prosecuted by the
16 attorney general, in the circuit or superior court of the county in
17 which the small business investment corporation or a minority
18 enterprise small business investment company is located.

19 Sec. 18. There is appropriated annually to the corporation from
20 the state general fund, from money not otherwise appropriated, an
21 amount sufficient to administer this chapter, subject to the
22 approval of the budget committee.

23 Sec. 19. (a) The corporation, with the approval of the state
24 board of finance, may sell to a person (including the board for
25 depositories) the notes or other debt obligations issued by a county,
26 city, or town under this chapter or IC 6-1.1-39 for any borrowing
27 from the industrial development fund under this chapter.

28 (b) A sale by the corporation of a note or other debt obligation
29 of a county, city, or town as authorized by subsection (a) shall be
30 made:

- 31 (1) without recourse against the corporation, the state board
32 of finance, or the industrial development fund; and
33 (2) on the other terms and conditions that the corporation,
34 with the approval of the state board of finance, establishes.

35 (c) A purchaser of a note or other debt obligation succeeds to all
36 the rights, entitlements, conditions, and limitations under the note
37 or other debt obligation. However, section 17 of this chapter does
38 not apply to a note or other debt obligation that has been sold
39 under subsection (a).

40 (d) After a sale of a note or other debt obligation the
41 corporation, the state board of finance, and the industrial
42 development fund have no right, title, or interest in or to the note

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1 or debt obligation.

2 (e) The proceeds from a sale shall be deposited in the industrial
3 development fund to be used exclusively for the purpose of this
4 chapter.

5 Sec. 20. (a) For industrial development projects (as defined in
6 IC 4-4-10.9-11(a)) that have a cost of the project (as defined in
7 IC 4-4-10.9-5) greater than one hundred million dollars
8 (\$100,000,000), the corporation may coordinate a loan to a county,
9 city, or town under this chapter that is to be funded under
10 IC 6-1.1-39 with a simultaneous or successive sale of the note or
11 other debt obligation issued or to be issued by the county, city, or
12 town to evidence the borrowing under this chapter. For such a
13 coordinated or simultaneous lending and sale, the sale proceeds
14 may be applied to the funding of the loan to the county, city, or
15 town.

16 (b) Notes or other debt obligations of a county, city, or town that
17 may be sold by the corporation under this section are declared to
18 be legal investments for:

- 19 (1) all insurance companies and associations and other
- 20 persons carrying on an insurance business; and
- 21 (2) all banks, bankers, banking associations, trust companies,
- 22 savings associations including savings and loan associations,
- 23 building and loan associations, investment companies, and
- 24 other persons carrying on a banking business.

25 These entities may invest their funds, including capital, in the notes
26 or other debt obligations, notwithstanding any law to the contrary.

27 Chapter 11. Industrial Development Grant Fund

28 Sec. 1. As used in this chapter, "director" means the director of
29 the office.

30 Sec. 2. As used in this chapter, "eligible entity" means:

- 31 (1) a city;
- 32 (2) a town;
- 33 (3) a county;
- 34 (4) a special taxing district;
- 35 (5) an economic development commission established under
- 36 IC 36-7-12;
- 37 (6) a nonprofit corporation;
- 38 (7) a corporation established under IC 23-7-1.1 (before its
- 39 repeal on August 1, 1991) or IC 23-17 to distribute water for
- 40 domestic and industrial use;
- 41 (8) a regional water, sewage, or solid waste district;
- 42 (9) a conservancy district that includes in its purpose the

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1 distribution of domestic water or the collection and treatment
2 of waste; or

3 (10) the Indiana development finance authority established
4 under IC 4-4-11.

5 Sec. 3. As used in this chapter, "fund" refers to the industrial
6 development grant fund established by section 5 of this chapter.

7 Sec. 4. As used in this chapter, "industrial development
8 program" means a program designed to aid economic development
9 in Indiana and includes:

10 (1) the construction of airports, airport facilities, and tourist
11 attractions;

12 (2) the construction, extension, or completion of:

13 (A) sanitary sewerlines, storm sewers, and other related
14 drainage facilities;

15 (B) waterlines;

16 (C) roads and streets;

17 (D) sidewalks;

18 (E) rail spurs and sidings; and

19 (F) information and high technology infrastructure (as
20 defined in IC 5-28-10-4);

21 (3) the leasing, purchase, construction, repair, and
22 rehabilitation of property, both real and personal; and

23 (4) the preparation of surveys, plans, and specifications for
24 the construction of publicly owned and operated facilities,
25 utilities, and services.

26 Sec. 5. (a) The industrial development grant fund is established.
27 Grants may be made from the fund to eligible entities in
28 accordance with this chapter and the rules adopted under it.

29 (b) The administrative control of the fund and the responsibility
30 for the administration of this chapter are vested in the director.
31 The corporation may adopt policies and guidelines for the proper
32 administration of the fund and this chapter. The corporation may
33 employ personnel as necessary for the efficient administration of
34 this chapter.

35 (c) The corporation may receive and accept for purposes of the
36 fund, grants, gifts, and contributions from public and private
37 sources, including, on behalf of the state, grants from agencies and
38 instrumentalities of the United States.

39 Sec. 6. Money in the industrial development grant fund does not
40 revert to the state general fund but must be used exclusively for the
41 purposes of this chapter. The treasurer of state shall invest money
42 not needed currently to meet the obligations of the fund in the same

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manner as other public funds may be invested. Interest that accrues from these investments shall be credited to the fund. The director, subject to the approval of the governor and budget director, may direct the auditor of state to make an approved grant from the fund to an eligible entity. The money granted must be used by the recipient to institute and administer an approved industrial development program.

Chapter 12. The Indiana Strategic Development Fund

Sec. 1. (a) As used in this chapter, "cooperative development project" means a project that is jointly performed by two (2) or more Indiana businesses to promote:

- (1) the development of one (1) or more sectors of Indiana's industrial, business, or agricultural economies; or
- (2) the economic development of a geographic region of Indiana.

(b) The term "cooperative development project" includes the following:

- (1) Marketing programs, including export development.
- (2) Technology development or deployment programs.
- (3) Training programs for current or prospective employees.
- (4) Administrative functions, such as human resources management, payroll, data processing, and information management.
- (5) Other programs approved by the corporation.

Sec. 2. As used in this chapter, "eligible entity" means a:

- (1) city;
- (2) town;
- (3) county;
- (4) nonprofit corporation established under Indiana law whose primary purpose is the promotion of industrial development or business development, or both, in Indiana; or
- (5) nonprofit corporation established under Indiana law by two (2) or more Indiana businesses to carry out a cooperative development project under this chapter.

Sec. 3. As used in this chapter, "fund" refers to the Indiana strategic development fund.

Sec. 4. As used in this chapter, "Indiana business" means a business producing goods or providing services in Indiana.

Sec. 5. (a) The Indiana strategic development fund is established. The purpose of the fund is to promote economic prosperity and employment throughout Indiana through the establishment of a source of funding for cooperative development

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1 projects. The fund shall be administered by the corporation.

2 (b) The fund consists of:

- 3 (1) amounts appropriated by the general assembly;
 4 (2) the repayment proceeds of loans made to eligible entities
 5 from the fund; and
 6 (3) money received from any other source.

7 (c) The treasurer of state shall invest the money in the fund not
 8 currently needed to meet the obligations of the fund in the same
 9 manner as other public funds may be invested.

10 (d) Money in the fund at the end of a state fiscal year does not
 11 revert to the state general fund.

12 Sec. 6. The corporation may use the fund to make grants and
 13 loans to eligible entities. These grants and loans are subject to the
 14 following conditions:

15 (1) The grant or loan may be used only to make payments
 16 under a contract that:

17 (A) is entered into with a group of Indiana businesses that:

- 18 (i) produce similar services or products;
 19 (ii) sell services or products to the same market sector;
 20 or
 21 (iii) are located in the same geographic region of
 22 Indiana;

23 (B) requires the Indiana businesses to perform a
 24 cooperative development project; and

25 (C) requires the Indiana businesses to pay any costs of the
 26 cooperative development project that are not paid by the
 27 eligible entity.

28 (2) A grant may not exceed the lesser of:

- 29 (A) fifty percent (50%) of the cost of the cooperative
 30 development project to be performed under the contract;
 31 or

32 (B) two hundred fifty thousand dollars (\$250,000).

33 (3) A loan may not exceed the lesser of:

- 34 (A) fifty percent (50%) of the cost of the cooperative
 35 development project for which the loan is issued; or
 36 (B) five hundred thousand dollars (\$500,000).

37 (4) An eligible entity may apply for both a grant and a loan,
 38 but the combined grant and loan may not exceed the lesser of:

- 39 (A) fifty percent (50%) of the cost of the cooperative
 40 development project for which the loan and grant are
 41 issued; or
 42 (B) five hundred thousand dollars (\$500,000).

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(5) The term of a loan may not exceed five (5) years. The corporation may defer payment of interest and principal on a loan under this chapter for a maximum of two (2) years.

(6) In order to establish a rate of interest for a loan under this chapter, the corporation shall select a nationally recognized index of municipal bond averages and a date not less than one (1) month and not more than two (2) months before the granting of the loan. The rate of interest on the loan must be one percent (1%) less than the average published on the date closest to the selected date by the selected nationally recognized index, rounded to the next lowest whole percent. The corporation may determine that the rounding down should be to a fraction of a percent that is a multiple of either one-tenth of one percent (0.1%) or one-fourth of one percent (0.25%).

Sec. 7. An eligible entity that wants a grant or loan from the fund must file an application with the corporation. Two (2) or more eligible entities may file a joint application for a grant or loan from the fund. An application for a grant or loan must include the following:

(1) A detailed description of the proposed cooperative development project, including a copy of the proposed contract between the eligible entity and the Indiana businesses that will carry out the project if the application is approved.

(2) The purposes for which the grant or loan will be spent.

(3) An estimate of the total cost of the cooperative development project.

(4) A description of the efforts made by the eligible entity to encourage appropriate Indiana businesses to participate in the proposed cooperative development project.

(5) The following information concerning each Indiana business that will participate in the cooperative development project if the application is approved:

(A) The name of the business.

(B) The number of Indiana residents employed by the business.

(C) The number and location of the facilities operated by the business in Indiana, and the dates on which these facilities began operations.

(D) The type of goods or services produced by the business.

(6) Other information required by the corporation.

Sec. 8. The corporation shall establish criteria for awarding

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grants and loans to eligible entities. The criteria must include the following:

(1) The likelihood that the proposed cooperative development project would be carried out without assistance from the fund.

(2) The extent to which the proposed cooperative development project will assist the development of:

(A) the businesses and eligible entities involved in the project;

(B) other businesses and eligible entities located in the same geographic region of Indiana;

(C) other Indiana businesses that produce similar services or products; and

(D) other Indiana businesses that sell services or products to the same market sector.

(3) The number of Indiana businesses that will participate in the cooperative development project under the contract with the eligible entity, and the degree to which these businesses are representative of other Indiana businesses that are located in the same geographic region of Indiana, produce similar services or products, or sell services or products to the same market sector.

(4) Other criteria that the corporation considers relevant to its determination.

Sec. 9. A loan from the fund to an eligible entity is not a general obligation of the eligible entity and is payable solely from the revenues and assets of the Indiana businesses that agree to perform a cooperative development project under the terms of the loan. Before making a loan to an eligible entity, the corporation shall determine that there is reasonable assurance that the loan will be repaid. In making this determination, the corporation shall consider:

(1) the financial condition of the Indiana businesses that are to perform the cooperative development project;

(2) the financial feasibility of the cooperative development project;

(3) the adequacy of the collateral provided by the Indiana businesses in connection with the cooperative development project; and

(4) other information that the corporation considers relevant to its determination.

Sec. 10. The corporation may adopt policies and guidelines to

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implement this chapter.

Chapter 13. Growth Investment Program Fund

Sec. 1. As used in this chapter, "designated county" refers to a county designated under section 4 of this chapter as having been in economic stress.

Sec. 2. As used in this chapter, "GRIP fund" refers to the growth investment program fund established by this chapter.

Sec. 3. (a) The growth investment program fund is established. The GRIP fund is to be used exclusively for the purpose of section 5 of this chapter. Money appropriated to the GRIP fund remains in the fund and does not revert to any other fund at the close of a state fiscal year.

(b) Accounts within the GRIP fund shall be established for each business whose application for a grant is approved. In addition, a general account shall be established for money in the GRIP fund that has not been credited to a business's account.

Sec. 4. (a) On July 1 of each year, the corporation shall designate counties that were in economic stress in the preceding year. The determination under this section shall be based on:

- (1)** the unemployment rate;
- (2)** the employment growth rate;
- (3)** the percentage decline in population; and
- (4)** the percentage of families and individuals below the poverty level;

in each county in the preceding year. The corporation shall designate thirty (30) counties under this section as having been in economic stress.

(b) Before August 1 of each year, the corporation shall:

- (1)** notify the county legislative body if the county is a designated county under this section; and
- (2)** prepare a list of the designated counties.

(c) A designation under this section expires June 30 of the year after the year in which the designation is made.

Sec. 5. The corporation may make grants from the GRIP fund to businesses that apply for grants for projects that meet the following requirements:

- (1)** The project must be located or planned for location in a designated county.
- (2)** The project must create jobs in Indiana.
- (3)** The grant must be for one (1) or more of the following purposes:
 - (A)** Modernization of capital investments.

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- 1 (B) New business formation, including small business
 2 development.
 3 (C) Purchase of new technology, including patents and
 4 licenses.
 5 (D) Industrial land assemblage for use in the project.
 6 (E) Infrastructure projects directly assisting the project.
 7 (F) Training programs in Indiana.
 8 (4) The project must be related to the construction, expansion,
 9 or renovation of facilities for manufacturing, warehousing,
 10 distribution of, or processing of goods or of facilities for
 11 commercial activities except for any of the following
 12 commercial activities:
 13 (A) Private or commercial golf course.
 14 (B) Country club.
 15 (C) Massage parlor.
 16 (D) Tennis club.
 17 (E) Skating facility (including roller skating,
 18 skateboarding, or ice skating).
 19 (F) Racquet sports facility (including any handball or
 20 racquetball court).
 21 (G) Hot tub facility.
 22 (H) Suntan facility.
 23 (I) Racetrack.
 24 (J) Any facility the primary purpose of which is:
 25 (i) retail food and beverage service;
 26 (ii) automobile sales or service; or
 27 (iii) the provision of recreation or entertainment.
 28 (K) Any other facility that is in the 1972 edition of the
 29 Standard Industrial Classification Manual of the United
 30 States Office of Management and Budget and is classified
 31 as belonging in any of the following:
 32 (i) Division G—Retail Trade.
 33 (ii) Division H—Finance, Insurance, and Real Estate.
 34 (iii) Division I—Services.
 35 Notwithstanding clause (K), a grant may be made for a
 36 project related to facilities for computer and data processing
 37 services, research and development laboratories, commercial
 38 testing laboratories, motion picture production and services,
 39 or health services.
 40 Sec. 6. An application for a grant from the GRIP fund must
 41 include the following:
 42 (1) A detailed description of the proposed project.

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- (2) The short and long term goals of the project.
- (3) An estimate of the total cost of the project.
- (4) The number of jobs to be created in Indiana by the project.
- (5) The location of the proposed project.
- (6) Other information required by the corporation.

Sec. 7. (a) The corporation shall review grant applications to determine whether the applications meet the requirements of sections 5 through 6 of this chapter. Priority in approving grant applications shall be given to those projects that will have the greatest impact on economic development within a designated county.

(b) Grants approved under this section are subject to the following limitations:

- (1) A business may not have at any time a grant total greater than two hundred fifty thousand dollars (\$250,000).
- (2) From July 1 through December 31 of a year, the corporation may not approve grants to businesses for projects located in one (1) county that exceed in total twenty percent (20%) of the sum of:
 - (A) the balance in the general account on July 1 of the year; plus
 - (B) the appropriation to the GRIP fund for the fiscal year beginning on July 1 of the year.

(c) Whenever the corporation approves a grant application, the corporation shall establish an account in the GRIP fund for the business. The amount credited is the amount determined by the corporation to be appropriate for the project.

Sec. 8. (a) For two (2) years after the date of the approval of a business's application, the business may request a disbursement of any part of the balance in its account in the GRIP fund for reimbursement of an expenditure by the business for the approved project. A business may receive such a disbursement regardless of whether the county in which the project is located remains a designated county in the year after the application is approved. The balance in a business's account at the close of the two (2) year period shall be credited to the general account. However, the corporation may permit a business to request and receive disbursements from its account for a third year if the extension is necessary to accomplish the purpose for which the grant was approved.

(b) Disbursements under this section shall be made by warrant

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of the auditor of state on the treasurer of state.

Chapter 14. Local Economic Development Organization Grants

Sec. 1. As used in this chapter, "economically disadvantaged area" has the meaning set forth in IC 6-3.1-9-1.

Sec. 2. As used in this chapter, "local economic development organization" (referred to as "organization") includes the following:

(1) An urban enterprise association established under IC 5-28-20 (or IC 4-4-6.1 before its repeal).

(2) An economic development commission established under IC 36-7-12.

(3) A nonprofit corporation established under state law whose primary purpose is the promotion of industrial or business development in Indiana, the retention or expansion of Indiana businesses, or the development of entrepreneurial activities in Indiana.

(4) A regional planning commission established under IC 36-7-7.

(5) A nonprofit educational organization whose primary purpose is educating and developing local leadership for economic development initiatives.

(6) Other similar organizations whose purposes include economic development and that are approved by the corporation.

Sec. 3. As used in this chapter, "program" refers to the local economic development organization grant program established by section 4 of this chapter.

Sec. 4. (a) The local economic development organization grant program is established.

(b) The program is administered by the corporation.

Sec. 5. An appropriation to the program does not expire or revert to the state general fund at the end of a state fiscal year.

Sec. 6. (a) The corporation may provide a grant under the program to an organization to assist in the operation of the organization, including any operations related to the provision of low income housing or the rehabilitation of low income housing. Not more than twenty-five percent (25%) of the grant amounts awarded under this chapter may be awarded for the provision or rehabilitation of low income housing. The grant may be used by the organization only to pay for the following expenses:

(1) Employee salaries.

(2) Office and other facilities.

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(3) Professional services provided under contract to the organization.

(4) A strategic plan of economic development for any of the areas served by the organization.

(5) Other similar administrative expenses of the organization.

(6) Expenses related to the development of specialized training programs that benefit economic development initiatives.

(7) Expenses incurred in research and development projects related to economic development initiatives.

(b) A grant under this chapter may not be used by the organization to provide direct financial assistance to a business or specific development project.

Sec. 7. (a) A grant under this chapter must be matched by funds raised by the organization from sources other than state funds. The amount of the grant must equal:

(1) one dollar (\$1) for every two dollars (\$2) raised by the organization, in the case of an organization that serves only one (1) county; or

(2) one dollar (\$1) for every one dollar (\$1) raised by the organization, in the case of an organization that serves at least two (2) counties.

(b) A grant under this chapter may not exceed:

(1) fifty thousand dollars (\$50,000), in the case of a grant to an organization that serves only one (1) county; or

(2) seventy-five thousand dollars (\$75,000), in the case of an organization that serves at least two (2) counties.

Sec. 8. (a) The corporation may adopt policies and guidelines governing application criteria and procedures for organizations applying for grants under this chapter.

(b) The corporation shall give preference in awarding grants to organizations from or serving economically disadvantaged areas.

Sec. 9. Money appropriated for the program may be used for the costs of administering this chapter.

Chapter 15. Local Labor Management Grant Fund

Sec. 1. As used in this chapter, "department" refers to the department of workforce development.

Sec. 2. As used in this chapter, "fund" refers to the local labor management grant fund established by section 4 of this chapter.

Sec. 3. As used in this chapter, "local council" refers to a local labor management council that:

(1) is composed of labor and management representatives;

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- (2) services distinct and identifiable geographic regions;
- (3) operates in compliance with rules adopted by the department; and
- (4) ensures that the council's efforts and activities are directed toward enhancing the labor management relationship in the state, region, community, or workplace.

Sec. 4. (a) The local labor management grant fund is established to provide financial assistance to local labor management councils to be used for the purposes set forth in section 5 of this chapter.

(b) The department shall administer the fund.

(c) The expenses of administering the fund shall be paid from money in the fund.

(d) The treasurer of state shall invest the money in the fund not currently needed to meet the obligations of the fund in the same manner as other public funds may be invested.

Sec. 5. (a) The department may provide matching grants to assist local councils.

(b) Matching grants described in this chapter may be awarded to offset any of the following expenses incurred by a local council:

(1) General operating expenses, including the following:

- (A) Staff salaries.
- (B) Professional services.
- (C) Office supplies and equipment.
- (D) Other administrative expenses.

(2) Expenses that relate to the development of specialized training programs that directly benefit labor and management initiatives.

(3) Expenses incurred in research and development projects relating to labor management issues.

Sec. 6. (a) Matching grants provided under section 5 of this chapter shall be awarded on an annual basis.

(b) To qualify for a matching grant, a local council must apply to the department, on forms provided by the department, for a matching grant. The application must include the following:

- (1) A detailed description of the local council.
- (2) The amount and source of money contributed by the local council, either from public or private sources, toward meeting the expenses described in section 5(b) of this chapter.
- (3) The manner in which the local council intends to use grant money.
- (4) Any other information required by the department.

Sec. 7. Upon approval by the department to receive a grant

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under this chapter, a local council is eligible to receive the lesser of the following amounts from the fund:

(1) Fifty percent (50%) of the amount described in section 6(b)(2) of this chapter.

(2) Twenty-five thousand dollars (\$25,000).

Sec. 8. The department may adopt rules under IC 4-22-2 to implement this chapter, including rules concerning the following:

(1) Establishing deadlines for submitting an application under section 6 of this chapter.

(2) Limiting the value of in-kind services that apply toward the amount of grant money received.

(3) Any other pertinent matter.

Chapter 16. Steel Industry Advisory Commission

Sec. 1. As used in this chapter, "commission" refers to the steel industry advisory commission established by section 2 of this chapter.

Sec. 2. (a) The steel industry advisory commission is established. The commission consists of thirteen (13) members.

(b) The lieutenant governor shall nominate and the governor shall appoint nine (9) members of the commission based on the following requirements:

(1) One (1) member must be the lieutenant governor or the lieutenant governor's designee.

(2) Five (5) members must be representatives of the steel industry in Indiana (as defined in the Steel Import Stabilization Act of 1984, P.L.98-573, Title VIII, Sections 801 to 806, Oct. 30, 1984, 98 Stat. 3043 to 3046 (19 U.S.C. Section 2253 note)).

(3) One (1) member must be a representative of a labor union that represents steelworkers.

(4) One (1) member must be a member of the faculty of the School of Business of Indiana University.

(5) One (1) member must be a member of the faculty of the School of Engineering of Purdue University.

(c) The lieutenant governor shall solicit recommendations from individuals associated with the steel industry and labor unions that represent steelworkers before making the nominations for appointments required by subsection (b)(2) and (b)(3), respectively.

(d) Four (4) members of the commission shall be appointed as follows:

(1) Two (2) members, not more than one (1) of whom may be affiliated with the same political party, who must be members

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of the house of representatives and must be appointed by the speaker of the house of representatives.

(2) Two (2) members, not more than one (1) of whom may be affiliated with the same political party, who must be members of the senate and must be appointed by the president pro tempore of the senate.

(e) The appointment of members under subsection (d) shall be made each even-numbered year after the first session day in November of the first regular session of the general assembly. The terms of the members are two (2) years.

(f) The lieutenant governor or the lieutenant governor's designee serves as chairperson of the commission. The commission shall provide for the selection of other officers as it determines appropriate.

Sec. 3. (a) The term of each appointed member of the commission is two (2) years. A member may be reappointed to the commission.

(b) Except as provided in section 2(d) of this chapter, the governor may appoint an individual to fill a vacancy on the commission for the unexpired term.

Sec. 4. Only the members of the commission appointed under section 2(b)(3) through 2(b)(5) of this chapter are entitled to the minimum salary per diem provided by IC 4-10-11-2.1(b). However, each member is entitled to reimbursement for traveling expenses and other expenses actually incurred in connection with the member's duties, as provided in the state travel policies and procedures established by the Indiana department of administration and approved by the budget agency.

Sec. 5. The commission shall conduct an examination of:

- (1) existing Indiana and federal statutes, rules, and regulations that either encourage or discourage production and consumption of Indiana steel;
- (2) the problems currently faced by the Indiana steel industry, including foreign competition and the economic climate for the steel industry in Indiana; and
- (3) any other matters considered relevant to the future of the steel industry in Indiana.

Sec. 6. (a) The commission shall conduct appropriate studies and present an annual report to the legislative council and a summary letter to the general assembly through the legislative council no later than December 1 each year. The report must address the following issues:

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(1) Ways in which the use of Indiana steel can be expanded within Indiana and the world.

(2) Ways in which any additional problems included in the examination conducted under section 5 of this chapter may be remedied.

(3) Recommend modification, if any, of state statutes or rules. The report and the letter must be in an electronic format under IC 5-14-6.

(b) The commission may request officials of governmental agencies in Indiana to attend its meetings and provide technical assistance and information as requested by the commission.

Sec. 7. The commission shall, upon request, advise state and local government officials on questions and matters affecting the steel industry.

Sec. 8. (a) The chairperson, with approval of a majority of the members, may appoint a general counsel to the commission who shall serve pro bono publico.

(b) Each private sector member of the commission shall make available to the commission the technical expertise of the member's organization to assist the commission in fulfilling its mandate.

Sec. 9. The office shall provide staff services and other technical assistance to the commission.

Sec. 10. Funding for the commission's activities shall be derived from funds appropriated to the corporation. Funds required for any third party studies approved by a majority vote of the commission's members shall come from contributions by the steel industry or other interested parties, as well as those funds that may be made available to the corporation. However, it is anticipated that the combined existing technical resources of the various participating institutions, organizations, and agencies will satisfy the commission's technical support requirements.

Chapter 17. Permit Assistance Center

Sec. 1. As used in this chapter, "center" refers to the permit assistance center established by section 4 of this chapter.

Sec. 2. As used in this chapter, "permit" means any state agency permit, license, certificate, approval, registration, or similar form of approval required by a statute or an administrative rule.

Sec. 3. As used in this chapter, "state agency" has the meaning set forth in IC 4-13-1-1.

Sec. 4. The permit assistance center is established within the corporation. The center has the following duties:

(1) Providing comprehensive information on permits required

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for business activities in Indiana and making this information available to any person.

(2) Assisting applicants in obtaining timely and efficient permit review and the resolution of issues arising from permit review.

(3) Encouraging the participation of federal and local government agencies in permit coordination.

Sec. 5. The center shall establish an information file on all state agency permit requirements that affect business activities in Indiana. The center shall:

(1) develop methods for maintaining, updating, and providing ready access to the information file;

(2) use the information file to provide comprehensive information concerning permit requirements affecting business activities; and

(3) use the information file to provide the commission on public records with information that will enable the commission to consolidate, simplify, expedite, or otherwise improve permit procedures.

Sec. 6. The center may prepare and distribute publications and other materials that:

(1) serve the convenience of permit applicants; and

(2) explain permit requirements affecting business activities.

Sec. 7. The center may encourage federal and local government permit agencies to use the services provided by the center to make information available to permit applicants. The center may advise permit applicants of federal and local permit requirements and may maintain an information file on permits for which the state has delegated issuance authority to local governmental agencies.

Sec. 8. The center may not charge a fee for services provided under this chapter. However, this section does not relieve a permit applicant of any part of the fees or charges established by a state agency for the review and approval of permit applications.

Sec. 9. This chapter does not affect the authority of a state agency to approve or deny a permit in the manner provided by any other law.

Sec. 10. Upon request of the center, each state agency shall provide the assistance and data necessary to enable the center to perform its duties under this chapter.

Sec. 11. The corporation may adopt policies and guidelines to implement this chapter.

Chapter 18. Promotion of Trade Shows

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1 **Sec. 1. As used in this chapter, "small business concern" means**
 2 **a small business concern as defined in 15 U.S.C. 632.**

3 **Sec. 2. As used in this chapter, "trade mission" means a planned**
 4 **tour of business locations, all of which are:**

5 (1) **located inside or outside the United States; and**

6 (2) **recommended by:**

7 (A) **the United States Department of Commerce Foreign**
 8 **Commercial Service;**

9 (B) **the United States Department of Agriculture Foreign**
 10 **Agriculture Service; or**

11 (C) **the corporation.**

12 **Sec. 3. As used in this chapter, "trade show" means an**
 13 **exhibition, an exposition, or a fair:**

14 (1) **located inside or outside the United States; and**

15 (2) **recommended by:**

16 (A) **the United States Department of Commerce Foreign**
 17 **Commercial Service; or**

18 (B) **the United States Department of Agriculture Foreign**
 19 **Agriculture Service.**

20 **Sec. 4. (a) The corporation shall promote the participation of**
 21 **small business concerns in trade shows and trade missions.**

22 **(b) Before promoting participation in trade shows and trade**
 23 **missions, the corporation must:**

24 (1) **conduct market research to determine the presence and**
 25 **extent of overseas markets for Indiana small business**
 26 **concerns; and**

27 (2) **determine the market areas offering Indiana small**
 28 **business concerns the best export opportunities.**

29 **(c) In promoting participation in trade shows and trade**
 30 **missions, the corporation shall emphasize trade shows and trade**
 31 **missions considered to offer Indiana small business concerns the**
 32 **best export opportunities for products produced in Indiana.**

33 **Sec. 5. (a) The trade promotion fund (referred to as the "fund"**
 34 **in this chapter) is established as a dedicated fund to be**
 35 **administered by the corporation. Money in the fund must be spent**
 36 **by the corporation exclusively for the purposes described in this**
 37 **chapter.**

38 **(b) Money in the fund does not revert to the state general fund**
 39 **at the end of a state fiscal year. If the fund is abolished, money in**
 40 **the fund reverts to the state general fund.**

41 **Sec. 6. The corporation may provide financial assistance to a**
 42 **small business concern by reimbursing the small business concern**

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solely for booth rental fees related to its participation in a trade show or trade mission.

Sec. 7. (a) Reimbursement for booth rental fees incurred by a small business concern under section 6 of this chapter for participation in one (1) trade show or trade mission may not exceed the lesser of:

(1) five thousand dollars (\$5,000); or

(2) the amount determined in subsection (b).

(b) The amount to be used in subsection (a)(2) is the amount determined under the following STEPS:

STEP ONE: Determine the total booth rental fees incurred by the small business concern under section 6 of this chapter.

STEP TWO: Subtract from the amount determined in STEP ONE any amounts received by the small business concern from a trade show promotion program or trade mission program, other than the program established by this chapter.

(c) The maximum financial assistance that may be provided to a small business concern during a state fiscal year may not exceed ten thousand dollars (\$10,000).

Sec. 8. To qualify for financial assistance under this chapter, a small business concern must:

(1) apply to the corporation for approval to participate in a trade show or trade mission in the form and by the time specified by the director;

(2) establish to the satisfaction of the corporation that participation in the trade show or trade mission will enhance the export opportunities of products produced in Indiana by the small business concern;

(3) maintain adequate records of the expenses incurred by the small business concern to participate in a trade show or trade mission;

(4) certify to the corporation the amount of financial assistance, if any, received by the small business concern from a trade show promotion program or trade mission program other than the program established by this chapter; and

(5) provide to the corporation, on request:

(A) the records of the expenses related to the small business concern's participation in a trade show or trade mission; and

(B) information regarding the effectiveness of the program established by this chapter in enhancing the export opportunities of the small business concern.

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1 **Sec. 9. The corporation may adopt policies and guidelines to**
 2 **implement this chapter.**

3 **Chapter 19. Trademarks for Use on Indiana Products**

4 **Sec. 1. As used in this chapter, "trademark" has the meaning set**
 5 **forth in IC 24-2-1-2.**

6 **Sec. 2. (a) The department shall devise a distinctive trademark**
 7 **and register it with the secretary of state under IC 24-2-1. The**
 8 **trademark must indicate in some way that the product to which it**
 9 **is affixed is substantially produced or assembled in Indiana.**

10 **(b) The department shall register the trademark with the United**
 11 **States Patent and Trademark Office.**

12 **Sec. 3. A person may apply to the department for permission to**
 13 **use the trademark.**

14 **Sec. 4. The corporation may establish policies and guidelines to**
 15 **provide:**

- 16 **(1) the conditions under which the trademark may be used,**
 17 **which may include such criteria as the extent to which the**
 18 **product is actually produced or assembled in Indiana; and**
 19 **(2) a procedure under which application for use of the**
 20 **trademark may be made.**

21 **Chapter 20. Enterprise Zones**

22 **Sec. 1. As used in this chapter, "board" refers to the enterprise**
 23 **zone board established by section 5 of this chapter.**

24 **Sec. 2. (a) As used in this chapter, "high technology business**
 25 **operations" means the operations in Indiana of a business engaged**
 26 **in the following:**

- 27 **(1) Advanced computing.**
 28 **(2) Creation of advanced materials.**
 29 **(3) Biotechnology.**
 30 **(4) Electronic device technology.**
 31 **(5) Environmental technology.**
 32 **(6) Medical device technology.**

33 **(b) For purposes of this section, "advanced computing" means**
 34 **technology used in the designing and developing of computing**
 35 **hardware and software, including innovations in designing the full**
 36 **range of hardware from hand held calculators to supercomputers**
 37 **and peripheral equipment.**

38 **(c) For purposes of this section, "advanced materials" means**
 39 **materials with engineered properties created through the**
 40 **development of specialized processing and synthesis technology,**
 41 **including ceramics, high value added metals, electronic materials,**
 42 **composites, polymers, and biomaterials.**

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(d) For purposes of this section, "biotechnology" means the continually expanding body of fundamental knowledge about the functioning of biological systems from the macro level to the molecular and subatomic levels, as well as novel products, services, technologies, and subtechnologies developed as a result of insights gained from research advances that add to that body of fundamental knowledge.

(e) For purposes of this section, "electronic device technology" means technology involving any of the following:

- (1) Microelectronics.
- (2) Semiconductors.
- (3) Electronic equipment.
- (4) Instrumentation.
- (5) Radio frequency waves.
- (6) Microwaves.
- (7) Millimeter electronics.
- (8) Optical and optic electrical devices.
- (9) Data and digital communications.
- (10) Imaging devices.

(f) For purposes of this section, "environmental technology" means any of the following:

- (1) The assessment and prevention of threats or damage to human health or the environment.
- (2) Environmental cleanup.
- (3) The development of alternative energy sources.

(g) For purposes of this section, "medical device technology" means technology involving any medical equipment or product (other than a pharmaceutical product) that has therapeutic value or diagnostic value and is regulated by the federal Food and Drug Administration.

Sec. 3. As used in this chapter, "U.E.A." refers to an urban enterprise association established under section 16 of this chapter.

Sec. 4. As used in this chapter, "zone business" means any entity that accesses at least one (1) tax credit or exemption incentive available under this chapter, IC 6-1.1-20.8, or IC 6-3-3-10.

Sec. 5. (a) There is established a twenty (20) member enterprise zone board. The board consists of fifteen (15) voting members and five (5) nonvoting, advisory members. The members described in subsection (b)(1) through (b)(7) serve four (4) year terms. Not more than ten (10) members may be from the same political party. The presence of at least eight (8) voting members is required to have a quorum for board meetings.

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1 (b) The governor shall appoint fifteen (15) enterprise zone
2 board members as follows:

- 3 (1) A representative of business.
4 (2) A representative of labor.
5 (3) A representative of the fire prevention and building safety
6 commission.
7 (4) A representative of minority business.
8 (5) A representative of small business.
9 (6) A representative of a neighborhood association.
10 (7) A representative of municipal government.
11 (8) A representative of the state department of health.
12 (9) The lieutenant governor or his designee.
13 (10) A representative of the department of state revenue.
14 (11) A representative of the department of local government
15 finance.
16 (12) A representative of the department of environmental
17 management.
18 (13) A representative of the Indiana development finance
19 authority.
20 (14) A representative of the Indiana business modernization
21 and technology corporation.
22 (15) A representative of the department of workforce
23 development.

24 (c) The president pro tempore of the senate shall appoint two (2)
25 members of the senate to the enterprise zone board.

26 (d) The speaker of the house of representatives shall appoint two
27 (2) members of the house of representatives to the enterprise zone
28 board.

29 (e) The president of the Association of Indiana Enterprise Zones
30 or the president's designee shall serve as a nonvoting, advisory
31 member of the board. A member designated by the president of the
32 Association of Indiana Enterprise Zones under this subsection:

- 33 (1) must be the executive director of an enterprise zone
34 designated under this chapter; and
35 (2) shall serve on the board until the member:
36 (A) is dismissed by the president of the Association of
37 Indiana Enterprise Zones under subsection (g); or
38 (B) no longer serves as the executive director of an
39 enterprise zone designated under this chapter.

40 (f) The five (5) members appointed under subsections (c), (d),
41 and (e) are the nonvoting, advisory members of the board.

42 (g) Members may be dismissed only by the appointing authority

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1 and only for just cause. The governor shall fill any vacancy as it
2 occurs for the remainder of its term.

3 Sec. 6. (a) The governor shall designate a chairperson and vice
4 chairperson of the board every two (2) years in the month in which
5 the first meeting of the board is held or whenever a vacancy
6 occurs.

7 (b) The board by rule shall provide for the conduct of its
8 business and the performance of its duties.

9 (c) The office shall serve as the staff of the board. If a U.E.A.
10 requests copies of forms filed with the board, the office shall
11 forward copies of the requested forms to the U.E.A.

12 (d) Except as provided in subsection (e), a nonlegislative
13 member is entitled to the minimum salary per diem as provided in
14 IC 4-10-11-2.1(b) while performing the member's duties. A
15 nonlegislative member is also entitled to reimbursement for
16 traveling expenses and other expenses actually incurred in
17 connection with the member's duties, as provided in the state travel
18 policies and procedures established by the Indiana department of
19 administration and approved by the budget agency.

20 (e) If a nonlegislative member of the board is an elected public
21 official of local government, the member shall not be paid a salary.
22 However, the board member shall be reimbursed for necessary
23 expenses that are incurred in the performance of official duties.

24 (f) A legislative member is entitled to reimbursement as
25 provided by law for traveling expenses and other expenses actually
26 incurred in connection with the legislative member's duties.

27 Sec. 7. (a) Except as provided in subsection (b):

28 (1) a package liquor store that holds a liquor dealer's permit
29 under IC 7.1-3-10; or

30 (2) any other entity that is required to operate under a license
31 issued under IC 7.1;

32 is not eligible for incentives available to zone businesses.

33 (b) Subsection (a) does not apply to the recipient of an incentive
34 if:

35 (1) the recipient entered into a written agreement concerning
36 the incentive under section 20 of this chapter before July 1,
37 1995;

38 (2) the recipient is described in:

39 (A) IC 7.1-3-3-1;

40 (B) IC 7.1-3-8-1;

41 (C) IC 7.1-3-13-1; or

42 (D) IC 7.1-5-7-11; or

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(3) the recipient:

(A) holds a license under IC 7.1; and

(B) receives at least sixty percent (60%) of the recipient's annual revenue from retail food sales.

Sec. 8. (a) The board has the following powers, in addition to other powers that are contained in this chapter:

(1) To review and approve or reject all applicants for enterprise zone designation, according to the criteria for designation that this chapter provides.

(2) To waive or modify rules as provided in this chapter.

(3) To provide a procedure by which enterprise zones may be monitored and evaluated on an annual basis.

(4) To adopt rules for the disqualification of a zone business from eligibility for any or all incentives available to zone businesses, if that zone business does not do one (1) of the following:

(A) If all its incentives, as contained in the summary required under section 10 of this chapter, exceed one thousand dollars (\$1,000) in any year, pay a registration fee to the board in an amount equal to one percent (1%) of all of its incentives.

(B) Use all of its incentives, except for the amount of registration fee, for its property or employees in the zone.

(C) Remain open and operating as a zone business for twelve (12) months of the assessment year for which the incentive is claimed.

(5) To disqualify a zone business from eligibility for any or all incentives available to zone businesses in accordance with the procedures set forth in the board's rules.

(6) After a recommendation from a U.E.A., to modify an enterprise zone boundary if the board determines that the modification:

(A) is in the best interests of the zone; and

(B) meets the threshold criteria and factors set forth in section 13 of this chapter.

(7) To employ staff and contract for services.

(8) To receive funds from any source and expend these funds for the administration and promotion of the enterprise zone program.

(9) To make determinations under IC 6-3.1-11 concerning the designation of locations as industrial recovery sites and the availability of the credit provided by IC 6-1.1-20.7 to persons

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owning inventory located on an industrial recovery site.

(10) To make determinations under IC 6-1.1-20.7 and IC 6-3.1-11 concerning the disqualification of persons from claiming credits provided by those chapters in appropriate cases.

(11) To make determinations under IC 6-3.1-11.5 concerning the designation of locations as military base recovery sites and the availability of the credit provided by IC 6-3.1-11.5 to persons making qualified investments in military base recovery sites.

(12) To make determinations under IC 6-3.1-11.5 concerning the disqualification of persons from claiming the credit provided by IC 6-3.1-11.5 in appropriate cases.

(b) In addition to a registration fee paid under subsection (a)(4), each zone business that receives a credit under this chapter shall assist the zone U.E.A. in an amount determined by the legislative body of the municipality in which the zone is located. If a zone business does not assist a U.E.A., the legislative body of the municipality in which the zone is located may pass an ordinance disqualifying a zone business from eligibility for all credits or incentives available to zone businesses. If a legislative body disqualifies a zone business under this subsection, the legislative body shall notify the board, the department of local government finance, and the department of state revenue in writing within thirty (30) days after the passage of the ordinance disqualifying the zone business. Disqualification of a zone business under this section is effective beginning with the taxable year in which the ordinance disqualifying the zone business is adopted.

Sec. 9. (a) The enterprise zone fund is established. Revenue from the registration fee required under section 8 of this chapter shall be deposited in the fund. The fund shall be administered by the corporation.

(b) Upon the recommendation of the corporation, the fund may be used to:

- (1) pay salaries of employees of the board;
- (2) pay administrative expenses of the enterprise zone program; and
- (3) provide grants to U.E.A.s for brownfield remediation within enterprise zones.

However, money in the fund may not be expended unless it has been appropriated by the general assembly and allotted by the budget agency.

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1 (c) The treasurer of state shall invest the money in the fund not
 2 currently needed to meet the obligations of the fund in the same
 3 manner as other public funds may be invested.

4 (d) Money in the fund at the end of a state fiscal year does not
 5 revert to the state general fund. The corporation may, after
 6 making the payments required by subsection (b)(1) and (b)(2), use
 7 money remaining in the fund at the end of a state fiscal year to
 8 provide grants to U.E.A.s for brownfield remediation activities.
 9 The corporation shall develop appropriate applications and may
 10 develop grant allocation guidelines, without complying with
 11 IC 4-22-2, for awarding grants under this subsection. The grant
 12 allocation guidelines must take into consideration the competitive
 13 impact of brownfield redevelopment plans on existing zone
 14 businesses.

15 Sec. 10. (a) Subject to subsections (c) and (d), a zone business
 16 that claims any of the incentives available to zone businesses shall,
 17 by letter postmarked before June 1 of each year:

18 (1) submit to the board and to the zone U.E.A., on a form
 19 prescribed by the board, a verified summary concerning the
 20 amount of tax credits and exemptions claimed by the business
 21 in the preceding year; and

22 (2) pay the amount specified in section 8(a)(4) of this chapter
 23 to the board.

24 (b) In order to determine the accuracy of the summary
 25 submitted under subsection (a), the board is entitled to obtain
 26 copies of a zone business' tax records directly from the department
 27 of state revenue, the department of local government finance, or a
 28 county official, notwithstanding any other law. A summary
 29 submitted to a board or zone U.E.A. or a record obtained by the
 30 board under this section is confidential. A board member, a U.E.A.
 31 member, or an agent of a board member or an urban enterprise
 32 association member who knowingly or intentionally discloses
 33 information that is confidential under this section commits a Class
 34 A misdemeanor.

35 (c) The board may grant one (1) extension of the time allowed
 36 to comply with subsection (a) under the provisions of this
 37 subsection. To qualify for an extension, a zone business must apply
 38 to the board by letter postmarked before June 1. The application
 39 must be in the form specified by the board. The extension may not
 40 be for a period that is longer than forty-five (45) days under rules
 41 adopted by the board under IC 4-22-2.

42 (d) If a zone business that did not comply with subsection (a)

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1 before June 1 and did not file for an extension under subsection (c)
 2 before June 1 complies with subsection (a) before July 16, the
 3 amount of the tax credit and exemption incentives for the
 4 preceding year that were otherwise available to the zone business
 5 because the business was a zone business are waived, unless the
 6 zone business pays to the board a penalty of fifteen percent (15%)
 7 of the amount of the tax credit and exemption incentives for the
 8 preceding year that were otherwise available to the zone business
 9 because the business was a zone business. A zone business that pays
 10 a penalty under this subsection for a year must pay the penalty to
 11 the board before July 16 of that year. The board shall deposit any
 12 penalty payments received under this subsection in the enterprise
 13 zone fund.

14 (e) This subsection is in addition to any other sanction imposed
 15 by subsection (d) or any other law. If a zone business fails to
 16 comply with subsection (a) before July 16 and does not pay any
 17 penalty required under subsection (d) by letter postmarked before
 18 July 16 of that year, the zone business:

19 (1) is denied all the tax credit and exemption incentives
 20 available to a zone business because the business was a zone
 21 business for that year; and

22 (2) is disqualified from further participation in the enterprise
 23 zone program under this chapter until the zone business:

24 (A) petitions the board for readmission to the enterprise
 25 zone program under this chapter; and

26 (B) pays a civil penalty of one hundred dollars (\$100).

27 Sec. 11. (a) This section applies to records and other
 28 information, including records and information that are otherwise
 29 confidential, maintained by the following:

30 (1) The board.

31 (2) A U.E.A.

32 (3) The department of state revenue.

33 (4) The corporation.

34 (5) The department of local government finance.

35 (6) A county auditor.

36 (7) A township assessor.

37 (b) A person listed in subsection (a) may request a second
 38 person described in subsection (a) to provide any records or other
 39 information maintained by the second person that concern an
 40 individual or a business that is receiving a tax deduction,
 41 exemption, or credit related to an enterprise zone. Notwithstanding
 42 any other law, the person to whom the request is made under this

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1 section must comply with the request. A person receiving records
2 or information under this section that are confidential must also
3 keep the records or information confidential.

4 (c) A person who receives confidential records or information
5 under this section and knowingly or intentionally discloses the
6 records or information to an unauthorized person commits a Class
7 A misdemeanor.

8 Sec. 12. (a) The board may designate up to ten (10) enterprise
9 zones, in addition to any enterprise zones the federal government
10 may designate in Indiana. The board may by seven (7) affirmative
11 votes increase the number of enterprise zones above ten (10), but
12 it may not add more than two (2) new zones each year (excluding
13 any zone that may be added by the board in a municipality in
14 which a previously designated zone has expired) and may not add
15 any new zones after December 31, 2015. There may not be more
16 than one (1) enterprise zone in any municipality.

17 (b) After approval by resolution of the legislative body, the
18 executive of any municipality that is not an included town under
19 IC 36-3-1-7 may submit one (1) application to the board to have
20 one (1) part of the municipality designated as an enterprise zone.
21 If an application is denied, the executive may submit a new
22 application. The board by rule shall provide application
23 procedures.

24 (c) The board shall evaluate an enterprise zone application if it
25 finds that the following threshold criteria exist in a proposed zone:

26 (1) A poverty level in which twenty-five percent (25%) of the
27 households in the zone are below the poverty level as
28 established by the most recent United States census or an
29 average rate of unemployment for the most recent eighteen
30 (18) month period for which data is available that is at least
31 one and one-half (1 1/2) times the average statewide rate of
32 unemployment for the same eighteen (18) month period.

33 (2) A population of more than two thousand (2,000) but less
34 than ten thousand five hundred (10,500).

35 (3) An area of more than three-fourths (3/4) square mile but
36 less than four (4) square miles, with a continuous boundary
37 (using natural, street, or highway barriers when possible)
38 entirely within the applicant municipality. However, if the
39 zone includes a parcel of property that:

40 (A) is owned by the municipality; and

41 (B) has an area of twenty-five (25) acres or more;

42 the area of the zone may be increased above the four (4)

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square mile limitation by an amount not to exceed the area of the municipally owned parcel.

(4) Property suitable for the development of a mix of commercial, industrial, and residential activities.

(5) The appointment of a U.E.A. that meets the requirements of section 16 of this chapter.

(6) A statement by the applicant indicating its willingness to provide certain specified economic development incentives.

(d) If an applicant has met the threshold criteria of subsection (c), the board shall evaluate the application, arrive at a decision based on the following factors, and either designate a zone or reject the application:

(1) Level of poverty, unemployment, and general distress of the area in comparison with other applicant and nonapplicant municipalities and the expression of need for an enterprise zone over and above the threshold criteria contained in subsection (c).

(2) Evidence of support for designation by residents, businesses, and private organizations in the proposed zone, and the demonstration of a willingness among those zone constituents to participate in zone area revitalization.

(3) Efforts by the applicant municipality to reduce the impediments to development in the zone area where necessary, including but not limited to the following:

(A) A procedure for streamlining local government regulations and permit procedures.

(B) Crime prevention activities involving zone residents.

(C) A plan for infrastructure improvements capable of supporting increased development activity.

(4) Significant efforts to encourage the reuse of existing zone structures in new development activities to preserve the existing character of the neighborhood, where appropriate.

(5) The proposed managerial structure of the zone and the capacity of the U.E.A. to carry out the goals and purposes of this chapter.

Sec. 13. (a) An enterprise zone expires ten (10) years after the day on which it is designated by the board. The two (2) year period immediately before the day on which it expires is the phase-out period. During the phase-out period, the board may review the success of the enterprise zone based upon the following criteria and may, with the consent of the budget committee, renew the zone, including all provisions of this chapter, for five (5) years:

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- (1) Increases in capital investment in the zone.
- (2) Retention of jobs and creation of jobs in the zone.
- (3) Increases in employment opportunities for residents of the zone.

(b) If an enterprise zone is renewed under subsection (a), the two (2) year period immediately before the date on which the zone expires is another phase-out period. During the phase-out period, the board may review the success of the enterprise zone based upon the criteria set forth in subsection (a) and, with the consent of the budget committee, may again renew the zone, including all provisions of this chapter, for a final period of five (5) years. The zone may not be renewed after the expiration of this final five (5) year period.

Sec. 14. (a) Notwithstanding any other provision of this chapter, one (1) or more units (as defined in IC 36-1-2-23) may declare all or any part of a military base or other military installation that is inactive, closed, or scheduled for closure as an enterprise zone. Such a declaration shall be made by a resolution of the legislative body of the unit that contains the geographic area being declared an enterprise zone. The legislative body must include in the resolution that a U.E.A. is created or designate another entity to function as the U.E.A. under this chapter. The resolution must also be approved by the executive of the unit.

(b) If the resolution is approved, the executive shall file the resolution and the executive's approval with the board. If an entity other than a U.E.A. is designated to function as a U.E.A., the entity's acceptance must be filed with the board along with the resolution. The enterprise zone designation is effective on the first day of the month following the date the resolution is filed with the board.

(c) Establishment of an enterprise zone under this section is not subject to the limit of two (2) new enterprise zones each year under section 12(a) of this chapter.

Sec. 15. The board may not approve the enlargement of an enterprise zone's geographic boundaries unless the area to be enlarged meets the criteria of economic distress set forth in section 12(c)(1) of this chapter.

Sec. 16. (a) There is established in each applicant for designation as an enterprise zone and in each enterprise zone a U.E.A. The twelve (12) members of the U.E.A. shall be chosen as follows:

- (1) The governor shall appoint the following:
 - (A) One (1) state legislator whose district includes all or

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part of the enterprise zone.

(B) One (1) representative of the corporation, who is not a voting member of the U.E.A.

(2) The executive of the municipality in which the zone is located shall appoint the following:

(A) One (1) representative of the plan commission having jurisdiction over the zone, if any exists.

(B) One (1) representative of the municipality's department that performs planning or economic development functions.

(C) Two (2) representatives of businesses located in the zone, one (1) of which shall be from a manufacturing concern, if any exists in the zone.

(D) One (1) resident of the zone.

(E) One (1) representative of organized labor from the building trades that represent construction workers.

(3) The legislative body of the municipality in which the zone is located shall appoint, by majority vote, the following:

(A) One (1) member of the municipality's legislative body whose district includes all or part of the zone.

(B) One (1) representative of a business located in the zone.

(C) Two (2) residents of the zone, who must not be members of the same political party.

(b) Members of the U.E.A. serve four (4) year terms. The appointing authority shall fill any vacancy for the balance of the vacated term.

(c) Members may be dismissed only by the appointing authority and only for just cause.

(d) The members shall elect a chairperson, a vice chairperson, and a secretary by majority vote. This election shall be held every two (2) years in the same month as the first meeting or whenever a vacancy occurs. The U.E.A. shall meet at least once every three (3) months. The secretary shall notify members of meetings at least two (2) weeks in advance of meetings. The secretary shall provide a list of members to each member and shall notify members of any changes in membership.

(e) If an applicant for designation as an enterprise zone does not receive that designation, the U.E.A. in that municipality is dissolved when the application is rejected.

Sec. 17. (a) A U.E.A. shall do the following:

(1) Coordinate zone development activities.

(2) Serve as a catalyst for zone development.

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1 (3) Promote the zone to outside groups and individuals.

2 (4) Establish a formal line of communication with residents
3 and businesses in the zone.

4 (5) Act as a liaison between residents, businesses, the
5 municipality, and the board for any development activity that
6 may affect the zone or zone residents.

7 (b) A U.E.A. may do the following:

8 (1) Initiate and coordinate any community development
9 activities that aid in the employment of zone residents,
10 improve the physical environment, or encourage the turnover
11 or retention of capital in the zone. These additional activities
12 include but are not limited to recommending to the
13 municipality the manner and purpose of expenditure of funds
14 generated under IC 36-7-14-39(g) or IC 36-7-15.1-26(g).

15 (2) Recommend that the board modify a zone boundary or
16 disqualify a zone business from eligibility for one (1) or more
17 benefits or incentives available to zone businesses.

18 (3) Incorporate as a nonprofit corporation. Such a
19 corporation may continue after the expiration of the zone in
20 accordance with the general principles established by this
21 chapter. A U.E.A. that incorporates as a nonprofit
22 corporation under this subdivision may purchase or receive
23 real property from a redevelopment commission under
24 IC 36-7-14-22.2 or IC 36-7-15.1-15.2.

25 (c) The U.E.A. may request, by majority vote, the legislative
26 body of the municipality in which the zone is located to modify or
27 waive any municipal ordinance or regulation that is in effect in the
28 zone. The legislative body may, by ordinance, waive or modify the
29 operation of the ordinance or regulation, if that ordinance or
30 regulation does not affect health (including environmental health),
31 safety, civil rights, or employment rights.

32 (d) The U.E.A. may request, by majority vote, the board to
33 waive or modify any state rule that is in effect in the zone. The
34 board shall review the request and may approve, modify, or reject
35 it. Approval or modification by the board shall take place after
36 review by the appropriate state agency. A modification may
37 include but is not limited to establishing different compliance or
38 reporting requirements, timetables, or exemptions in the zone for
39 a business or an individual, to the extent that the modification does
40 not adversely affect health (including environment health), safety,
41 employment rights, or civil rights. An approval or modification of
42 a state rule by the board takes effect upon the approval of the

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governor. In no case are the provisions of IC 22-2-2 and IC 22-7-1-2 mitigated by this chapter.

Sec. 18. (a) Any business that substantially reduces or ceases an operation located in Indiana and outside an enterprise zone (referred to as a nonzone operation) in order to relocate in an Indiana enterprise zone is disqualified from benefits or incentives available to zone businesses. Determinations under this section shall be made by a hearing panel composed of the chairperson of the board or the chairperson's designee, the commissioner of the department of state revenue or the commissioner's designee, and the commissioner of the department of local government finance or the commissioner's designee. The panel, after an evidentiary hearing held subsequent to the relocation of the business, shall submit a recommended order to the board for its adoption. The recommended order shall be based on the following criteria and subsection (b):

(1) A site specific economic activity, including sales, leasing, service, manufacturing, production, storage of inventory, or any activity involving permanent full-time or part-time employees shall be considered a business operation.

(2) With respect to a nonzone operation, any of the following that occurs during the twelve (12) months before the completion of the physical relocation of all or part of the activity described in subdivision (1) from the nonzone operation to the zone as compared with the twelve (12) months before that twelve (12) months shall be considered a substantial reduction:

(A) A reduction in the average number of full-time or part-time employees of the lesser of one hundred (100) employees or twenty-five percent (25%) of all employees.

(B) A twenty-five percent (25%) reduction in the average number of goods manufactured or produced.

(C) A twenty-five percent (25%) reduction in the average value of services provided.

(D) A ten percent (10%) reduction in the average value of stored inventory.

(E) A twenty-five percent (25%) reduction in the average amount of gross income.

(b) Notwithstanding subsection (a), a business that would otherwise be disqualified under subsection (a) is eligible for benefits and incentives available to zone businesses if each of the following conditions is met:

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1 (1) The business relocates its nonzone operation for any of the
2 following reasons:

3 (A) The lease on property necessary for the nonzone
4 operation has been involuntarily lost through no fault of
5 the business.

6 (B) The space available at the location of the nonzone
7 operation cannot accommodate planned expansion needed
8 by the business.

9 (C) The building for the nonzone operation has been
10 certified as uninhabitable by a state or local building
11 authority.

12 (D) The building for the nonzone operation has been totally
13 destroyed through no fault of the business.

14 (E) The renovation and construction costs at the location
15 of the nonzone operation are more than one and one-half
16 (1 1/2) times the costs of purchase, renovation, and
17 construction of a facility in the zone, as certified by three
18 (3) independent estimates.

19 A business is eligible for benefits and incentives under clause
20 (C) or (D) only if renovation and construction costs at the
21 location of the nonzone operation are more than one and
22 one-half (1 1/2) times the cost of purchase, renovation, and
23 construction of a facility in the zone. These costs must be
24 certified by three (3) independent estimates.

25 (2) The business has not terminated or reduced the pension or
26 health insurance obligations payable to employees or former
27 employees of the nonzone operation without the consent of the
28 employees.

29 (c) The hearing panel shall cause to be delivered to the business
30 and to any person who testified before the panel in favor of
31 disqualification of the business a copy of the panel's recommended
32 order. The business and these persons shall be considered parties
33 for purposes of this section.

34 (d) A party who wishes to oppose the board's adoption of the
35 recommended order of the hearing panel shall, within ten (10) days
36 after the party's receipt of the recommended order, file written
37 objections with the board. If the objections are filed, the board
38 shall set the objections for oral argument and give notice to the
39 parties. A party at its own expense may cause to be filed with the
40 board a transcript of the oral testimony or any other part of the
41 record of the proceedings. The oral argument shall be on the
42 record filed with the board. The board may hear additional

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evidence or remand the action to the hearing panel with instructions appropriate to the expeditious and proper disposition of the action. The board may adopt the recommendations of the hearing panel, may amend or modify the recommendations, or may make such order or determination as is proper on the record.

(e) If no objections are filed, the board may adopt the recommended order without oral argument. If the board does not adopt the proposed findings of fact and recommended order, the parties shall be notified and the action shall be set for oral argument as provided in subsection (d).

(f) The final determination made by the board shall be made by a majority of the quorum needed for board meetings.

Sec. 19. Whenever federal or state money is available for job training purposes, considerations shall, to the extent possible, be given to training residents of enterprise zones in industry specific skills relevant to the resident's particular zone.

Sec. 20. The state pledges to and agrees with the direct recipient of any enterprise zone incentive under this chapter that the state will not limit or alter the rights vested in the U.E.A. to fulfill the terms of any agreements it makes with those recipients or in any way impair the rights and remedies of those recipients until the terms of the incentive are fulfilled. The board may include this pledge and agreement of the state in any agreement it makes with the recipient.

Chapter 21. Investment Incentive Program

Sec. 1. As used in this chapter, "municipality" means a city or town.

Sec. 2. The corporation shall establish policies to carry out an investment incentive program. The purpose of the program is to provide grants and loans to counties and municipalities that will, in turn, be loaned to certain new or expanding businesses for construction or for the purchase of real or personal property.

Sec. 3. (a) The corporation shall adopt policies and guidelines to establish the criteria for awarding grants and loans to counties and municipalities.

(b) The criteria for awarding the grants and loans must include:

- (1) the economic need of the county or municipality;
- (2) the impact of the new or expanding business on employment and output in the county or municipality;
- (3) the importance of state participation to the investment decision;
- (4) the impact of state assistance to job production in the

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1 county or municipality; and

2 (5) the extent of other public and private participation.

3 Sec. 4. (a) The corporation shall establish criteria to guide
4 counties and municipalities in making loans to businesses.

5 (b) The terms of the loans must include provisions that:

6 (1) loans shall be restricted to enterprises that create new and
7 permanent jobs;

8 (2) loans may not exceed the greater of:

9 (A) ten percent (10%) of the total investment; or

10 (B) two hundred fifty thousand dollars (\$250,000); and

11 (3) the principal and interest on the loan must be repaid to the
12 county or municipality.

13 (c) All loans by a county or municipality under this chapter are
14 subject to approval by the corporation.

15 Sec. 5. The corporation may:

16 (1) adopt policies and guidelines to carry out this chapter;

17 (2) accept money and other things of value from all sources;

18 (3) provide services and materials to carry out the purposes
19 of the program;

20 (4) evaluate the program; and

21 (5) involve other entities, by contract or otherwise, in carrying
22 out the purposes of the program.

23 Sec. 6. (a) The repayment proceeds of a loan made from a grant
24 under this chapter shall be used by the county or municipality for
25 any economic or community development activity, including:

26 (1) making loans to businesses; and

27 (2) the construction or reconstruction of any street, sewer, or
28 other capital improvement that will promote economic
29 development in the community or the repayment of bonds
30 used to finance the construction or reconstruction.

31 (b) All uses of repaid loan proceeds by a county or municipality
32 under this chapter are subject to approval by the corporation.

33 Sec. 7. The corporation may not make a grant from state
34 appropriated funds to a county or municipality under this chapter
35 unless the county or municipality agrees to lend to the new or
36 expanding business an amount greater than or equal to the state
37 grant.

38 Sec. 8. (a) A loan to a county or municipality made under this
39 chapter is not a general obligation of the county or municipality
40 and is payable solely from revenues derived from the new or
41 expanding business.

42 (b) Before making a loan to a county or municipality, the

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1 corporation shall determine that there is reasonable assurance that
 2 the loan will be repaid. In making this determination, the
 3 corporation shall consider:

- 4 (1) the financial condition of the business;
- 5 (2) the financial feasibility of the expansion being undertaken
 6 by the business;
- 7 (3) the adequacy of collateral for the loan; and
- 8 (4) any other information that the corporation considers
 9 relevant to its determination.

10 Sec. 9. (a) The investment incentive fund is established to
 11 provide grants and loans to counties and municipalities. The fund
 12 shall be administered by the corporation.

13 (b) Money in the fund at the end of a state fiscal year does not
 14 revert to the state general fund.

15 (c) The repaid principal and the interest earned on loans made
 16 to counties and municipalities under this chapter shall be deposited
 17 in the fund.

18 Chapter 22. Community Promotion Program

19 Sec. 1. As used in this chapter, "eligible entity" means a:

- 20 (1) city;
- 21 (2) town;
- 22 (3) county; or
- 23 (4) nonprofit corporation established under Indiana law,
 24 whose primary purpose is the promotion of economic
 25 development or community development, or both, in Indiana.

26 Sec. 2. As used in this chapter, "fund" refers to the community
 27 promotion fund established by section 3 of this chapter.

28 Sec. 3. The community promotion fund is established. The fund
 29 is to be used exclusively for the purposes set forth in section 4 of
 30 this chapter. All money appropriated to the fund remains in the
 31 fund and does not revert to any other fund at the end of a state
 32 fiscal year.

33 Sec. 4. (a) The corporation may make grants from the fund to
 34 eligible entities for the following purposes in order to promote
 35 economic development or community development, or both, in
 36 Indiana:

- 37 (1) Planning market research activities.
- 38 (2) Obtaining technical assistance from universities.
- 39 (3) Conducting feasibility studies.
- 40 (4) Conducting studies or surveys to gather information
 41 required to obtain federal funding.
- 42 (5) Developing and conducting marketing campaigns for

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economic development purposes.

(6) Conducting studies of the steps necessary to permit a community's industrial and business establishments to recover from a fire, flood, tornado, or other natural disaster.

(7) Other similar purposes approved by the corporation.

(b) Each grant from the fund must be matched by funds provided by the applicant. The corporation may not provide more than one-half (1/2) of the funds for the project. The matching funds required from the applicant may be provided by any source except other state funds.

Sec. 5. An application for a grant from the fund must include:

- (1) a detailed description of the proposed project;
- (2) the short term and long term goals of the project; and
- (3) an estimate of the total cost of the project.

Sec. 6. After consideration of the general merits, potential effectiveness, total cost, and other factors affecting a proposed project, the corporation shall approve or disapprove the application in whole or in part.

Sec. 7. If an application is approved, the corporation shall determine the amount of the grant to be made from the fund for the project and shall pay the sum granted from the fund to the eligible entity from which the application originated.

Sec. 8. All promotional materials produced with the assistance of funds provided under this chapter must include the following statement: "Produced in cooperation with the Indiana Economic Development Corporation."

Chapter 23. Indiana Main Street Program

Sec. 1. (a) The Indiana main street program is established to do the following:

- (1) Encourage the economic development, redevelopment, and improvement of downtown areas in Indiana cities and towns in all geographic regions of the state.
- (2) Sponsor demonstration efforts in Indiana cities and towns in all geographic regions of the state.
- (3) Provide technical assistance and sponsor seminars and other educational programs on downtown area revitalization, development, and redevelopment.

(b) The program shall be administered by the corporation.

Sec. 2. (a) The Indiana main street council is established. The council consists of the following:

- (1) The lieutenant governor or a person designated by the lieutenant governor, who shall serve as chairperson.

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(2) At least seven (7) but not more than ten (10) persons appointed by the lieutenant governor. The persons appointed under this subdivision must represent organizations concerned with the purposes of the program established by this chapter and must represent all geographic regions of the state.

(b) Members appointed to the council by the lieutenant governor shall serve for a term of three (3) years, beginning on July 1 after their appointment. However, a member appointed to fill a vacancy on the council shall serve for the remainder of the unexpired term.

(c) The council shall:

- (1) develop and direct policy;
- (2) coordinate administrative techniques; and
- (3) provide assistance;

to carry out the purposes of the Indiana main street program.

(d) Each member of the council who is not a state employee is entitled to the minimum salary per diem provided by IC 4-10-11-2.1(b). Each member is entitled to reimbursement for traveling expenses and other expenses actually incurred in connection with the member's duties, as provided in the state travel policies and procedures established by the Indiana department of administration and approved by the budget agency.

Sec. 3. To carry out the purposes described in section 1 of this chapter, the corporation, acting for and on behalf of the Indiana main street council and the Indiana main street program, may:

- (1) execute contractual agreements;
- (2) receive money from any source;
- (3) expend money for an activity appropriate to the purposes of this chapter; and
- (4) execute agreements and cooperate with:
 - (A) any other state or federal department or agency;
 - (B) political subdivisions of the state; or
 - (C) any private person or corporation.

Chapter 24. Individual Development Accounts

Sec. 1. As used in this chapter, "account" refers to an individual development account.

Sec. 2. As used in this chapter, "community development corporation" means a private, nonprofit corporation:

- (1) whose board of directors consists primarily of community representatives and business, civic, and community leaders; and

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(2) whose principal purpose includes the provision of:

(A) housing;

(B) community based economic development projects; or

(C) social services;

that primarily benefit low income individuals and communities.

Sec. 3. As used in this chapter, "financial institution" means a bank, savings association, credit union, or any other institution regulated under IC 28 or federal law.

Sec. 4. As used in this chapter, "fund" refers to an individual development account fund established by a community development corporation under section 13 of this chapter.

Sec. 5. As used in this chapter, "individual development account" means an account in a financial institution administered by a community development corporation that allows a qualifying individual to deposit money:

(1) to be matched by the state, financial institutions, corporations, and other entities; and

(2) that will be used by the qualifying individual for one (1) or more of the following:

(A) To pay for costs (including tuition, laboratory costs, books, computer costs, and other costs associated with attendance) at an accredited institution of higher education or a vocational school for the individual or for a dependent of the individual.

(B) To pay for the costs (including tuition, laboratory costs, books, computer costs, and other costs) associated with an accredited or a licensed training program that may lead to employment for the individual or for a dependent of the individual.

(C) To purchase a primary residence for the individual or for a dependent of the individual or to reduce the principal amount owed on a primary residence that was purchased by the individual or a dependent of the individual with money from an individual development account.

(D) To begin or to purchase part or all of a business or to expand an existing small business.

Sec. 6. As used in this chapter, "qualifying individual" means an individual or a member of an individual's household who may establish an individual development account because the individual:

(1) receives or is a member of a household that receives

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1 assistance under IC 12-14-2; or

2 (2) is a member of a household with an annual household
3 income that is less than one hundred seventy-five percent
4 (175%) of the federal income poverty level.

5 **Sec. 7. (a) A qualifying individual, including an individual who:**

6 (1) established an individual development account under this
7 chapter before July 1, 2001; and

8 (2) held the account described in subdivision (1) for less than
9 four (4) years;

10 may establish an account by applying at a community development
11 corporation.

12 (b) At the time of establishing an account under this section, the
13 qualifying individual must name a beneficiary to replace the
14 qualifying individual as the holder of the account if the qualifying
15 individual dies. If the beneficiary:

16 (1) is a member of the qualifying individual's family, all funds
17 in the account remain in the account; and

18 (2) is not a member of the qualifying individual's family, all
19 funds in the account provided by the state revert to the state.

20 (c) The qualifying individual may change the name of the
21 beneficiary at the qualifying individual's discretion. A beneficiary
22 who becomes the holder of an account under this subsection is
23 subject to this chapter and rules adopted under this chapter
24 regarding withdrawals from the account.

25 (d) Only one (1) member of a qualifying individual's household
26 may establish an account.

27 **Sec. 8. A community development corporation shall do the**
28 **following:**

29 (1) Determine whether an individual who wants to establish
30 an account is a qualifying individual.

31 (2) Administer, through a financial institution, and act as
32 trustee for each account established through the community
33 development corporation.

34 (3) Approve or deny an individual's request to make a
35 withdrawal from the individual's account.

36 (4) Provide or arrange for training in money management,
37 budgeting, and related topics for each individual who
38 establishes an account.

39 **Sec. 9. (a) An individual may deposit money from the**
40 **individual's earned income into the individual's account.**

41 (b) An individual may deposit an unlimited amount of money
42 into the individual's account. However, only three hundred dollars

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(§300) annually is eligible for a state deposit as provided in section 12 of this chapter.

Sec. 10. (a) Not more than eight hundred (800) accounts may be established in the state each year.

(b) A community development corporation shall use money that is in an individual development account fund established under section 13 of this chapter to allow a qualified individual on a waiting list maintained by the community development corporation to establish an account.

Sec. 11. (a) Each community development corporation shall annually provide the corporation with information needed to determine:

(1) the number of accounts administered by the community development corporation;

(2) the length of time each account under subdivision (1) has been established; and

(3) the amount of money an individual has deposited into each account under subdivision (1) during the preceding twelve (12) months.

(b) The corporation shall use the information provided under subsection (a) to deposit the correct amount of money into each account as provided in section 12 of this chapter.

Sec. 12. (a) The corporation shall allocate, for each account that has been established after June 30, 2001, for not more than four (4) years, including any time in which an individual held an individual development account under this chapter before July 1, 2001, three dollars (\$3) for each one dollar (\$1) an individual deposited into the individual's account during the preceding twelve (12) months. However, the corporation's allocation under this subsection may not exceed nine hundred dollars (\$900) for each account described in this subsection.

(b) Not later than June 30 of each year, the corporation shall deposit into each account established under this chapter the appropriate amount of money determined under this section. However, if the individual deposits the maximum amount allowed under this chapter on or before December 31 of each year, the individual may request in writing that the corporation allocate and deposit the matched funds under subsection (a) into the individual's account not later than forty-five (45) days after the corporation receives the written request.

(c) Money from a federal block grant program under Title IV-A of the federal Social Security Act may be used by the state to

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1 provide money under this section for deposit into an account held
2 by an individual who receives assistance under IC 12-14-2.

3 Sec. 13. (a) Each community development corporation shall
4 establish an individual development account fund to provide
5 money to be used to finance additional accounts to be administered
6 by the community development corporation under this chapter and
7 to help pay for the community development corporation's expenses
8 related to the administration of accounts.

9 (b) Each community development corporation shall encourage
10 individuals, financial institutions, corporations, and other entities
11 to contribute to the fund. A contributor to the fund may qualify for
12 a tax credit as provided under IC 6-3.1-18.

13 (c) Each community development corporation may use up to
14 twenty percent (20%) of the first one hundred thousand dollars
15 (\$100,000) deposited each calendar year in the fund under
16 subsection (b) to help pay for the community development
17 corporation's expenses related to the administration of accounts
18 established under this chapter. All deposits in the fund under
19 subsection (b) of more than one hundred thousand dollars
20 (\$100,000) during each calendar year may be used only to fund
21 accounts administered by the community development corporation
22 under this chapter.

23 (d) A community development corporation may allow an
24 individual to establish a new account as adequate funding becomes
25 available.

26 (e) Only money from the fund may be used to make the deposit
27 described in subsection (f) into an account established under this
28 section.

29 (f) The community development corporation shall annually
30 deposit at least three dollars (\$3) into each account for each one
31 dollar (\$1) an individual has deposited into the individual's account
32 as of June 30.

33 (g) A community development corporation may not allow a
34 qualifying individual to establish an account if the community
35 development corporation does not have adequate funds to deposit
36 into the account under subsection (f).

37 Sec. 14. (a) An account must earn interest at a rate that is
38 competitive in the county where the account is located.

39 (b) Interest earned on an account during a taxable year is not
40 subject to taxation under IC 6-3 or IC 6-5.5.

41 Sec. 15. (a) An individual must request and receive
42 authorization from the community development corporation that

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1 administers the individual's account before withdrawing money
2 from the account for any purpose.

3 (b) An individual who is denied authorization to withdraw
4 money under subsection (a) may appeal the community
5 development corporation's decision to the corporation under
6 policies and guidelines adopted by the corporation.

7 Sec. 16. (a) Money withdrawn from an individual's account is
8 not subject to taxation under IC 6-3-1 through IC 6-3-7 if the
9 money is used for at least one (1) of the following:

10 (1) To pay for costs (including tuition, laboratory costs, books,
11 computer costs, and other costs) at an accredited institution
12 of higher education or a vocational school for the individual
13 or for a dependent of the individual.

14 (2) To pay for the costs (including tuition, laboratory costs,
15 books, computer costs, and other costs) associated with an
16 accredited or a licensed training program that may lead to
17 employment for the individual or for a dependent of the
18 individual.

19 (3) To purchase a primary residence for the individual or for
20 a dependent of the individual or to reduce the principal
21 amount owed on a primary residence that was purchased by
22 the individual or a dependent of the individual with money
23 from an individual development account.

24 (4) To begin or to purchase part or all of a business or to
25 expand an existing small business.

26 (b) At the time of requesting authorization under section 15 of
27 this chapter to withdraw money from an individual's account
28 under subsection (a)(4), the individual must provide the community
29 development corporation with a business plan that:

30 (1) is approved by:

31 (A) a financial institution; or

32 (B) a nonprofit loan fund that has demonstrated fiduciary
33 stability;

34 (2) includes a description of services or goods to be sold, a
35 marketing plan, and projected financial statements; and

36 (3) may require the individual to obtain the assistance of an
37 experienced business advisor.

38 Sec. 17. Money in an account may not be considered:

39 (1) an asset of an individual when determining the individual's
40 eligibility for assistance under IC 12-14; or

41 (2) a countable asset (as defined in IC 12-7-2-44.6).

42 Sec. 18. (a) Each community development corporation shall

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1 annually:

- 2 (1) evaluate the individual development accounts
 3 administered by the community development corporation;
 4 and
 5 (2) submit a report containing the evaluation information to
 6 the corporation.

7 (b) Two (2) or more community development corporations may
 8 work together in carrying out the purposes of this chapter.

9 Sec. 19. The corporation may adopt policies and guidelines to
 10 implement this chapter.

11 Chapter 25. Rural Development Program and Fund

12 Sec. 1. As used in this chapter, "fund" refers to the rural
 13 development fund established by section 4 of this chapter.

14 Sec. 2. As used in this chapter, "qualified entity" means any of
 15 the following:

- 16 (1) A city or town with a population of less than ten thousand
 17 (10,000) persons.
 18 (2) A corporation established under IC 23-7-1.1 (before its
 19 repeal on August 1, 1991) or IC 23-17 for the purpose of
 20 distributing water for domestic and industrial use.
 21 (3) A regional water, sewage, or solid waste district.
 22 (4) A conservancy district that includes in its purpose the
 23 distribution of domestic water or the collection and treatment
 24 of waste.

25 Sec. 3. As used in this chapter, "rural development program"
 26 means any program designed to aid the growth of rural areas in
 27 Indiana and includes any of the following:

- 28 (1) The construction of airports, airport facilities, and tourist
 29 attractions.
 30 (2) The construction, extension or completion of sewerlines,
 31 waterlines, streets, and sidewalks.
 32 (3) The leasing or purchase of property, both real and
 33 personal.
 34 (4) The preparation of surveys, plans, and specifications for
 35 the construction of publicly owned and operated facilities,
 36 utilities, and services.

37 Sec. 4. (a) The rural development fund is established. Grants
 38 may be made from the fund to qualified entities in accordance with
 39 this chapter and the rules adopted under it.

40 (b) The administrative control of the fund and the responsibility
 41 for the administration of this chapter are vested in the corporation.
 42 The corporation may adopt policies and guidelines for the proper

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1 administration of the fund and this chapter. The corporation may
 2 employ personnel as necessary for the efficient administration of
 3 this chapter.

4 (c) The corporation may receive and accept for purposes of the
 5 fund, grants, gifts, and contributions from public and private
 6 sources, including, on behalf of the state, grants from agencies and
 7 instrumentalities of the United States.

8 Sec. 5. (a) Money in the fund does not revert to the state general
 9 fund, but must be used exclusively for the purposes of this chapter.
 10 The treasurer of state shall invest money not needed currently to
 11 meet the obligations of the program in the same manner as other
 12 public funds may be invested. Interest that accrues from these
 13 investments shall be credited to the fund.

14 (b) The corporation, subject to the approval of the state board
 15 of finance, may direct the auditor of state to make any approved
 16 grant from the fund to any qualified entity. The money granted
 17 must be used by the recipient to institute and administer any
 18 approved rural development program. The amount of any grant to
 19 a recipient may not exceed fifty percent (50%) of project cost.
 20 However, after petition by a qualified entity showing special
 21 circumstances, the corporation may waive all or part of the fifty
 22 percent (50%) requirement.

23 Sec. 6. Notwithstanding any other section of this chapter, a
 24 county, city, or town is considered a qualified entity and shall
 25 receive a grant from the fund, subject to the availability of funds
 26 in the account, in an amount equal to the amount that the county,
 27 city, or town contributes to a project for the construction of a
 28 sewer system, sewer system extension, water distribution system,
 29 or water distribution system extension if:

30 (1) the county has imposed a county adjusted gross income tax
 31 under IC 6-3.5-1.1, a county option income tax under
 32 IC 6-3.5-6, or a county economic development income tax
 33 under IC 6-3.5-7;

34 (2) the county, city, or town establishes an interest bearing
 35 account known as the sewer system or water distribution
 36 system development account in which the county, city, or
 37 town may periodically deposit tax revenue received under one
 38 (1) of the taxes in subdivision (1), and the interest earned on
 39 the deposits is credited to the account;

40 (3) money in the sewer system or water distribution system
 41 development account may be used only to pay for a project
 42 for the construction of a sewer system, sewer system

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extension, water distribution system, or water distribution system extension;

(4) the amount of the county, city, or town contribution is deposited in the sewer system or water distribution system development account;

(5) the project will result in sanitary sewer service or water service being available to an area that did not previously have sanitary sewer or water service available;

(6) an existing public sanitary sewer service or water service is available within a one (1) mile radius from the proposed project, and the provider of that service has agreed to allow the project to be connected to and become part of the existing public service; and

(7) the county, city, or town submits an application to the corporation, on forms provided by the corporation, showing compliance with subdivisions (1) through (6).

Chapter 26. Indiana Twenty-First Century Research and Technology Fund

Sec. 1. As used in this chapter, "board" refers to the Indiana twenty-first century research and technology fund board established by section 6 of this chapter.

Sec. 2. As used in this chapter, "fund" refers to the Indiana twenty-first century research and technology fund established by section 3 of this chapter.

Sec. 3. (a) The Indiana twenty-first century research and technology fund is established to provide grants or loans to support proposals for economic development in one (1) or more of the following areas:

(1) To increase the capacity of Indiana institutions of higher education, Indiana businesses, and Indiana nonprofit corporations and organizations to compete successfully for federal or private research and development funding.

(2) To stimulate the transfer of research and technology into marketable products.

(3) To assist with diversifying Indiana's economy by focusing investment in biomedical research and biotechnology, information technology, and other high technology industry clusters requiring high skill, high wage employees.

(4) To encourage an environment of innovation and cooperation among universities and businesses to promote research activity.

(b) The fund shall be administered by the budget agency. The

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1 fund consists of appropriations from the general assembly and gifts
 2 and grants to the fund. The budget agency shall review each
 3 recommendation. The budget agency, after review by the budget
 4 committee, may approve, deny, or modify grants and loans
 5 recommended by the board. Money in the fund may not be used to
 6 provide a recurring source of revenue for the normal operating
 7 expenditures of any project.

8 (c) The fund is a subsidiary of the corporation.

9 (d) The treasurer of state shall invest the money in the fund not
 10 currently needed to meet the obligations of the fund in the same
 11 manner as other public funds may be invested.

12 (e) The money in the fund at the end of a state fiscal year does
 13 not revert to the state general fund but remains in the fund to be
 14 used exclusively for the purposes of this chapter.

15 Sec. 4. (a) An application requesting a grant or loan from the
 16 fund must be targeted to one (1) or more of the areas listed in
 17 section 3 of this chapter.

18 (b) A successful applicant for a grant or loan from the fund
 19 must meet the requirements of this section and be approved by the
 20 board. An application for a grant or loan from the fund must be
 21 made on an application form prescribed by the board. An
 22 applicant shall provide all information that the board finds
 23 necessary to make the determinations required by this chapter.

24 (c) All applications for a grant or loan from the fund must
 25 include the following:

26 (1) A fully elaborated technical research or business plan,
 27 whichever applies, that is appropriate for review by outside
 28 experts as provided in this chapter.

29 (2) A detailed financial analysis that includes the commitment
 30 of resources by other entities that will be involved in the
 31 project.

32 (3) A statement of the economic development potential of the
 33 project, such as:

34 (A) a statement of the way in which support from the fund
 35 will lead to significantly increased funding from federal or
 36 private sources and from private sector research partners;
 37 or

38 (B) a projection of the jobs to be created.

39 (4) The identity, qualifications, and obligations of the
 40 applicant.

41 (5) Any other information that the board considers
 42 appropriate.

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1 An applicant for a grant or loan from the fund may request that
 2 certain information that is submitted by the applicant be kept
 3 confidential. The board shall make a determination of
 4 confidentiality as soon as is practicable. If the board determines
 5 that the information should not be kept confidential, the applicant
 6 may withdraw the application, and the board must return the
 7 information before making it part of any public record.

8 (d) An application for a grant or loan from the fund submitted
 9 by an academic researcher must be made through the office of the
 10 president of the researcher's academic institution with the express
 11 endorsement of that institution's president. An application for a
 12 grant or loan from the fund submitted by a private researcher
 13 must be made through the office of the highest ranking officer of
 14 the researcher's institution with the express endorsement of the
 15 institution. Any other application must be made through the office
 16 of the highest ranking officer of the entity submitting the
 17 application. In the case of an application for a grant or loan from
 18 the fund that is submitted jointly by one (1) or more researchers or
 19 entities, the application must be endorsed by each institution or
 20 entity as required by this subsection.

21 Sec. 5. (a) The board has the following powers:

22 (1) To accept, analyze, and approve applications under this
 23 chapter.

24 (2) To contract with experts for advice and counsel.

25 (3) To employ staff to assist in carrying out this chapter,
 26 including providing assistance to applicants who wish to apply
 27 for a grant or loan from the fund, analyzing proposals,
 28 working with experts engaged by the board, and preparing
 29 reports and recommendations for the board.

30 (4) To approve and recommend applications for grants or
 31 loans from the fund to the budget committee and budget
 32 agency.

33 (b) The board shall give priority to applications for grants or
 34 loans from the fund that:

35 (1) have the greatest economic development potential; and

36 (2) require the lowest ratio of money from the fund compared
 37 with the combined financial commitments of the applicant
 38 and those cooperating on the project.

39 (c) The board shall make final funding determinations for
 40 applications for grants or loans from the fund that will be
 41 submitted to the budget agency for review and approval. In
 42 making a determination on a proposal intended to obtain federal

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or private research funding, the board shall be advised by a peer review panel and shall consider the following factors in evaluating the proposal:

- (1) The scientific merit of the proposal.
- (2) The predicted future success of federal or private funding for the proposal.
- (3) The ability of the researcher to attract merit based scientific funding of research.
- (4) The extent to which the proposal evidences interdisciplinary or interinstitutional collaboration among two (2) or more Indiana institutions of higher education or private sector partners, as well as cost sharing and partnership support from the business community.

(d) The peer review panel shall be chosen by and report to the board. In determining the composition and duties of a peer review panel, the board shall consider the National Institutes of Health and the National Science Foundation peer review processes as models. The members of the panel must have extensive experience in federal research funding. A panel member may not have a relationship with any private entity or academic institution in Indiana that would constitute a conflict of interest for the panel member.

(e) In making a determination on any other application for a grant or loan from the fund involving a proposal to transfer research results and technologies into marketable products or commercial ventures, the board shall consult with experts as necessary to analyze the likelihood of success of the proposal and the relative merit of the proposal.

Sec. 6. (a) The Indiana twenty-first century research and technology fund board is established. The board consists of the following:

- (1) The lieutenant governor, who shall serve as chairperson of the board.
- (2) Two (2) representatives from separate Indiana public research institutions of higher education to be appointed by the governor.
- (3) A representative of an Indiana private research institution of higher education to be appointed by the governor.
- (4) A representative from a high technology business to be appointed by the governor.
- (5) A representative from a business with high research and development expenditures in Indiana to be appointed by the

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governor.

(6) A representative from the venture or growth capital industry to be appointed by the governor.

(7) One (1) individual who has expertise in economic development to be appointed by the governor.

(8) One (1) individual who has expertise in academic research, technology transfer, or collaborative relationships between the public and private sectors to be appointed by the governor.

(9) A representative from a high technology business to be appointed by the speaker of the house of representatives.

(10) A representative from a high technology business to be appointed by the president pro tempore of the senate.

A board member appointed by the governor, the speaker of the house of representatives, or the president pro tempore of the senate serves a term of two (2) years.

(b) A board member with a conflict of interest with respect to an application for a grant or loan from the fund shall abstain from any discussion, consideration, or vote on the application.

(c) When making appointments under subsection (a), the governor shall consider the geographic areas of Indiana represented on the board.

Sec. 7. The governor shall fill a vacancy on the board for the remainder of the unexpired term. Except for the ex officio board member, the governor may replace a board member at any time.

Sec. 8. A quorum for a meeting of the board consists of six (6) voting members.

Sec. 9. Six (6) affirmative votes are required for the board to take action.

Sec. 10. Members of the board are not entitled to per diem allowances or reimbursement of expenses for their service on the board.

Sec. 11. The board may use money in the fund to cover administrative expenses incurred in carrying out the requirements of this chapter.

Sec. 12. (a) The board shall submit an annual report to the legislative council before September 1. The report must be in an electronic format under IC 5-14-6 and must contain the following information concerning fund activity in the preceding state fiscal year:

(1) The name of each entity receiving a grant from the fund.

(2) The location of each entity sorted by:

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- 1 (A) county, in the case of an entity located in Indiana; or
 2 (B) state, in the case of an entity located outside Indiana.
 3 (3) The amount of each grant awarded to each entity.
 4 (b) The board shall do the following:
 5 (1) Report to the director of the office at least quarterly
 6 regarding the operations of the board.
 7 (2) Provide any information requested by the director or the
 8 corporation.
 9 **Chapter 27. Indiana Small Business Development Corporation**
 10 **Sec. 1. (a) As used in this chapter, "Indiana small business**
 11 **development corporation" or "corporation" refers to the**
 12 **corporation established under this chapter.**
 13 (b) The governor may request, on behalf of the state, the
 14 establishment of a private nonprofit corporation to carry out the
 15 purposes of this chapter. If:
 16 (1) such a corporation is established;
 17 (2) the corporation satisfies the conditions imposed by section
 18 2 of this chapter; and
 19 (3) the governor certifies the corporation;
 20 the corporation may perform the functions provided by section 3
 21 of this chapter. Before certification by the governor, the
 22 corporation must conduct a public hearing to give all interested
 23 parties an opportunity to review and comment on the articles of
 24 incorporation, bylaws, and methods of operation of the
 25 corporation. Notice of the hearing must be given at least fourteen
 26 (14) days before the hearing in accordance with IC 5-14-1.5-5(b).
 27 **Sec. 2. (a) The articles of incorporation and bylaws of the**
 28 **corporation must provide that:**
 29 (1) the exclusive purpose of the corporation is to contribute to
 30 the strengthening of the economy of Indiana by encouraging
 31 the organization and development of new business enterprises,
 32 including technologically oriented enterprises;
 33 (2) the board of directors of the corporation is composed of:
 34 (A) the lieutenant governor or the lieutenant governor's
 35 designee;
 36 (B) two (2) persons appointed by the governor from
 37 recommendations provided by statewide business
 38 organizations;
 39 (C) two (2) persons appointed by the governor to represent
 40 local host organizations of the small business development
 41 center network;
 42 (D) three (3) persons appointed by the governor, who must

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1 have experience in business, finance, education,
 2 entrepreneurship, or technology development; and
 3 (E) one (1) person appointed by the governor to represent
 4 nontraditional entrepreneurs (as defined in IC 5-28-28-6);
 5 (3) the governor shall appoint one (1) member of the board of
 6 directors to serve as chairperson of the board at the pleasure
 7 of the governor;
 8 (4) the corporation may receive money from any source,
 9 enter into contracts, and expend money for any activities
 10 appropriate to its purpose;
 11 (5) the corporation may appoint staff and do all other things
 12 necessary or incidental to carrying out the functions listed in
 13 section 3 of this chapter;
 14 (6) any changes in the articles of incorporation or bylaws
 15 must be approved by the governor;
 16 (7) the corporation shall submit an annual report to the
 17 governor and to the general assembly on or before the first
 18 day of November for each year;
 19 (8) the annual report shall include detailed information on the
 20 structure, operation, and financial status of the corporation;
 21 (9) the corporation shall conduct an annual public hearing to
 22 receive comment from interested parties regarding the annual
 23 report, and notice of the hearing shall be given at least
 24 fourteen (14) days before the hearing in accordance with
 25 IC 5-14-1.5-5(b); and
 26 (10) the corporation is subject to an annual audit by the state
 27 board of accounts, and the corporation shall bear the full
 28 costs of this audit.
 29 The report to the general assembly under subdivision (7) must be
 30 in an electronic format under IC 5-14-6.
 31 (b) Not more than five (5) members of the board of directors
 32 may be members of the same political party.
 33 (c) The corporation is a subsidiary of the Indiana economic
 34 development corporation established by IC 5-28-3-1.
 35 (d) The corporation shall do the following:
 36 (1) Report concerning its operations to the director of the
 37 office of economic development within the Indiana economic
 38 development corporation at least quarterly.
 39 (2) Provide any information requested by the director or the
 40 board of the Indiana economic development corporation.
 41 Sec. 3. The corporation, after being certified by the governor
 42 under section 1 of this chapter, may:

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(1) establish programs to identify entrepreneurs with marketable ideas and to support the organization and development of new business enterprises, including technologically oriented enterprises;

(2) conduct conferences and seminars to provide entrepreneurs with access to individuals and organizations with specialized expertise;

(3) establish a statewide network of public, private, and educational resources to assist the organization and development of new enterprises;

(4) operate a small business assistance center to provide small businesses, including minority owned businesses and businesses owned by women, with access to managerial and technical expertise and to provide assistance in resolving problems encountered by small businesses;

(5) cooperate with the Indiana business modernization and technology corporation, other public and private entities, including the Indiana Small Business Development Center Network and the federal government marketing program, in exercising the powers listed in subdivisions (1) through (4);

(6) establish and administer the small and minority business financial assistance program under IC 5-28-29;

(7) approve and administer loans from the enterprise development fund established by IC 5-28-28-8; and

(8) coordinate state funded programs that assist the organization and development of new enterprises.

Sec. 4. Debts incurred by the corporation under authority of this chapter do not represent or constitute a debt of the state within the meaning of the Constitution of the State of Indiana or Indiana statutes.

Sec. 5. The certification by the governor under section 1 of this chapter remains in effect until the general assembly provides by law for termination of the designation.

Chapter 28. Enterprise Development Fund

Sec. 1. As used in this chapter, "corporation" refers to the Indiana small business development corporation established under IC 5-28-27.

Sec. 2. As used in this chapter, "federal income poverty level" means the nonfarm income official poverty line as determined annually by the federal Office of Management and Budget.

Sec. 3. As used in this chapter, "fund" refers to the enterprise development fund established by section 8 of this chapter.

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1 **Sec. 4. As used in this chapter, "local board" means:**

2 (1) the governing body of an eligible entity described in
3 section 13 of this chapter; or

4 (2) the board of directors of a corporation described in section
5 14 of this chapter.

6 **Sec. 5. As used in this chapter, "local pool" includes both a local**
7 **investment pool established under section 13 of this chapter and a**
8 **local opportunity pool established under section 14 of this chapter.**

9 **Sec. 6. As used in this chapter, "nontraditional entrepreneur"**
10 **means a person who operates or seeks to establish a business in**
11 **Indiana and who is described in one (1) or more of the following**
12 **categories:**

13 (1) Persons whose employment has been terminated or who
14 have been laid off and who have limited opportunities for
15 employment or reemployment in the same or a similar
16 occupation in the area in which they reside.

17 (2) Persons who are employed but whose family income is not
18 greater than one hundred twenty-five percent (125%) of the
19 federal income poverty level for the same size family.

20 (3) Single parents whose family income is not greater than one
21 hundred twenty-five percent (125%) of the federal income
22 poverty level for the same size family.

23 (4) Minorities.

24 (5) Women.

25 (6) Persons who are at least sixty-five (65) years of age.

26 (7) Persons who are at least eighteen (18) years of age but less
27 than twenty-four (24) years of age.

28 (8) Welfare recipients.

29 (9) Owners or operators of existing businesses with less than
30 twenty-five (25) employees.

31 (10) Persons who by reason of physical or mental disability
32 are unable to achieve full vocational participation.

33 (11) Members of family farms undergoing economic
34 adjustment and seeking sources of income in addition to the
35 farm.

36 **Sec. 7. (a) The general assembly makes the following findings of**
37 **fact:**

38 (1) There exists in Indiana an inadequate amount of locally
39 managed, pooled investment capital in the private sector
40 available to invest in new and existing business ventures,
41 including business ventures by nontraditional entrepreneurs.

42 (2) Investing capital and business management advice in new

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and existing business ventures, including business ventures by nontraditional entrepreneurs, will enhance economic development and create and retain employment within Indiana. This investment will enhance the health and general welfare of the people of Indiana and constitutes a public purpose.

(3) Nontraditional entrepreneurs have not engaged in entrepreneurship and self-employment to the extent found in the mainstream of Indiana's population. Realizing the potential of these nontraditional entrepreneurs will enhance Indiana's economic vitality.

(b) It is the policy of the state to promote economic development and entrepreneurial talent of the state's inhabitants by the creation of the enterprise development fund for the public purpose of promoting opportunities for gainful employment and business opportunities.

Sec. 8. (a) The enterprise development fund is established. The fund is a revolving fund to:

(1) provide loans approved by the corporation under this chapter and IC 5-28-27-3;

(2) provide loans or loan guarantees under the small and minority business financial assistance program established by IC 5-28-29-10; and

(3) pay the costs of administering this chapter and IC 5-28-29.

The fund shall be administered by the corporation.

(b) The fund consists of:

(1) amounts appropriated by the general assembly;

(2) the repayment proceeds (including interest) of loans made from the fund; and

(3) donations, grants, and money received from any other source.

(c) The treasurer of state shall invest the money in the fund not currently needed to meet the obligations of the fund in the same manner as other public funds may be invested.

(d) Money in the fund at the end of a state fiscal year does not revert to the state general fund.

(e) The fund is subject to an annual audit by the state board of accounts. The fund shall bear the full costs of the audit.

Sec. 9. (a) The corporation shall perform the following duties:

(1) Establish and implement the policies and procedures to be used by the corporation in the administration of the fund.

(2) Subject to section 11 of this chapter, establish criteria for

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1 awarding loans from the fund.

2 (3) Review and approve or disapprove applications for loans
3 from the fund.

4 (4) Establish the terms of loans from the fund, which must
5 include the conditions set forth in section 12 of this chapter.

6 (5) Award the loans approved under this chapter.

7 (6) Provide the staff and other resources necessary to
8 implement this chapter.

9 (7) Prepare and distribute to appropriate entities throughout
10 Indiana requests for proposals for the organization and
11 operation of local pools.

12 (8) Conduct conferences and seminars concerning the fund.

13 (9) Submit a report concerning the fund to the general
14 assembly and to the Indiana economic development
15 corporation before November 1 of each year. The report must
16 include detailed information concerning the structure,
17 operation, and financial condition of the fund. The report to
18 the general assembly under this subdivision must be in an
19 electronic format under IC 5-14-6.

20 (b) The corporation may enter into contracts necessary for the
21 administration of this chapter, including contracts for servicing
22 loans from the fund.

23 Sec. 10. A local board may apply for a loan from the fund. A
24 local board's application for a loan must include the following
25 information:

26 (1) The total amount of the loan requested from the fund.

27 (2) The total amount of matching funds to be provided from
28 the local pool operated by the local board and the sources of
29 those matching funds.

30 (3) A detailed description of the local pool, including its
31 investment criteria.

32 (4) The impact of the proposed loan on job production in the
33 area served by the local pool.

34 (5) Any other information requested by the corporation.

35 Sec. 11. The corporation's criteria for awarding loans from the
36 fund to a local board must include the following factors:

37 (1) The extent to which local financial institutions invest and
38 participate in the local pool.

39 (2) The extent to which the local pool is used as a secondary
40 source of financing that complements conventional financing
41 provided by existing financial institutions.

42 (3) The local board's knowledge of successful business

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practices.

(4) The extent to which the local board will target the proceeds of the loan toward nontraditional entrepreneurs.

(5) The extent to which the local board intends to use the loan proceeds for investment in debt, equity, debt with equity attributes, or other forms of creative financing.

(6) The extent to which the local board's proposed program will encourage clustering of small business programs through proximity to small business incubators and other sources of small business assistance and technology transfer.

(7) Other criteria established by the corporation.

Sec. 12. A loan from the fund to a local board is subject to the following conditions:

(1) The local board may use the loan from the fund only to make and service grants, equity investments, loans, and loan guarantees to persons who are establishing or operating businesses in Indiana. However, the local board may not spend any part of the loan from the fund to defray the expenses of servicing grants, loans, and loan guarantees unless that expenditure is specifically authorized in the loan agreement with the corporation.

(2) The term of the loan may not exceed twenty (20) years.

(3) The loan must require the local board to provide matching funds in an amount determined by the corporation. However, the total of the loan plus the matching funds must be at least:

(A) one million dollars (\$1,000,000) for a local investment pool established under section 13 of this chapter; or

(B) five hundred thousand dollars (\$500,000) for a local opportunity pool established under section 14 of this chapter.

(4) The corporation may forgive or defer payment of all or part of the interest and principal on the loan.

(5) The loan agreement must require the local board, through its staff or consultants, to perform the following duties with respect to recipients of financial assistance from the local pool:

(A) Provide training in business and financial management techniques.

(B) Oversee the fiscal operations of the recipients of financial assistance for at least one (1) year following the receipt of that assistance.

(C) Provide fiscal management assistance to recipients of

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1 financial assistance when necessary for at least one (1) year
 2 following the receipt of that assistance, including assistance
 3 in the preparation and filing of federal and state tax
 4 returns.

5 (6) The local board must make a report concerning the local
 6 pool to the corporation before September 1 of each year. The
 7 report must include detailed information concerning the
 8 structure, operation, and financial condition of the local pool.

9 (7) Any other conditions that the corporation considers
 10 appropriate.

11 Sec. 13. (a) As used in this section, "eligible entity" means any
 12 partnership, unincorporated association, corporation, or limited
 13 liability company, whether or not operated for profit, that is
 14 established for the purpose of establishing a local investment pool.

15 (b) A local investment pool may be established only by an
 16 eligible entity. A political subdivision may participate in the
 17 establishment of an eligible entity but may not be the sole member
 18 of the eligible entity.

19 (c) The articles of incorporation or bylaws of the eligible entity,
 20 as appropriate, must provide the following:

21 (1) The exclusive purpose of the eligible entity is to establish
 22 a local investment pool to:

23 (A) attract private equity investment to provide grants,
 24 equity investments, loans, and loan guarantees for the
 25 establishment or operation of businesses in Indiana; and

26 (B) provide a low to moderate rate of return to investors in
 27 the short term, with higher rates of return in the long
 28 term.

29 (2) The governing body of the eligible entity must include:

30 (A) persons who are qualified by professional background
 31 and business experience to make sound financial and
 32 investment decisions in the private sector; and

33 (B) representatives of nontraditional entrepreneurs.

34 (3) The eligible entity may receive funds from:

35 (A) equity investors;

36 (B) grants and loans from local units of government;

37 (C) grants and loans from the federal government;

38 (D) donations; and

39 (E) loans from the fund.

40 Sec. 14. (a) A local opportunity pool may be established only by
 41 a nonprofit corporation or a for-profit corporation established for
 42 that purpose. A political subdivision may participate in the

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1 establishment of such a corporation but may not be the sole
2 member of the corporation.

3 (b) The articles of incorporation or bylaws of the corporation,
4 as appropriate, must provide the following:

5 (1) The exclusive purpose of the corporation is to establish a
6 local opportunity pool to:

7 (A) attract sources of funding other than private equity
8 investment to provide grants, loans, and loan guarantees
9 for the establishment or operation of nontraditional
10 entrepreneurial endeavors in Indiana; and

11 (B) enter into financing agreements that seek the return of
12 the principal amounts advanced by the pool, with the
13 potential for a greater return.

14 (2) The board of directors of the corporation must include:

15 (A) persons who are actively engaged in Indiana in private
16 enterprise, organized labor, or state or local governmental
17 agencies and who are qualified by professional background
18 and business experience to make sound financial and
19 investment decisions in the private sector; and

20 (B) representatives of nontraditional entrepreneurs.

21 (3) The corporation may receive funds from:

22 (A) philanthropic foundations;

23 (B) grants and loans from local units of government;

24 (C) grants and loans from the federal government;

25 (D) donations;

26 (E) bequests; and

27 (F) loans from the fund.

28 Sec. 15. The making of loans from the fund does not constitute
29 the lending of credit by the state for purposes of any other statute
30 or the Constitution of the State of Indiana.

31 Chapter 29. Small and Minority Business Financial Assistance
32 Program

33 Sec. 1. As used in this chapter, "approved lender" means:

34 (1) any lending institution; or

35 (2) any bank, trust company, building and loan association, or
36 credit union;

37 that is approved by the corporation as a lender under this chapter.

38 Sec. 2. As used in this chapter, "corporation" refers to the
39 Indiana small business development corporation established under
40 IC 5-28-27.

41 Sec. 3. As used in this chapter, "fund" refers to the enterprise
42 development fund established by IC 5-28-28-8.

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1 **Sec. 4.** As used in this chapter, "loan" means a direct loan from
2 the fund.

3 **Sec. 5.** As used in this chapter, "minority business" means an
4 individual, a partnership, a corporation, a limited liability
5 company, or a joint venture of any kind that is owned and
6 controlled by one (1) or more persons who are:

- 7 (1) United States citizens; and
- 8 (2) members of a minority group.

9 **Sec. 6.** As used in this chapter, "minority group" means:

- 10 (1) blacks;
- 11 (2) American Indians;
- 12 (3) Hispanics;
- 13 (4) Asian Americans; and
- 14 (5) other similar racial minority groups.

15 **Sec. 7.** As used in this chapter, "owned and controlled" means
16 having:

- 17 (1) ownership of at least fifty-one percent (51%) of the
18 enterprise, including corporate stock of a corporation;
- 19 (2) control over the management and active in the day to day
20 operations of the business; and
- 21 (3) an interest in the capital, assets, and profits and losses of
22 the business proportionate to the percentage of ownership.

23 **Sec. 8.** As used in this chapter, "program" refers to the small
24 and minority business financial assistance program established by
25 section 10 of this chapter.

26 **Sec. 9.** As used in this chapter, "small business" has the meaning
27 set forth in IC 5-22-14-1. The term includes an independently
28 owned and operated business that is operating under a franchise
29 from another business.

30 **Sec. 10.** The small and minority business financial assistance
31 program is established to provide loans and loan guarantees under
32 this chapter.

33 **Sec. 11.** The corporation shall do the following:

- 34 (1) Establish and implement the policies and procedures to be
35 used in the administration of this chapter.
- 36 (2) Enter into contracts and guarantee agreements, as
37 necessary, with approved lenders, state governmental
38 agencies, corporations, and United States governmental
39 agencies, including agreements for federal insurance of losses
40 resulting from death, default, bankruptcy, or total and
41 permanent disability of borrowers.
- 42 (3) Establish criteria for awarding loans and loan guarantees

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from the fund and require that any loan or loan guarantee under this chapter be disbursed and repaid in the manner that the corporation prescribes.

(4) Accept, use, and disburse federal funds made available to the corporation by the federal government for the purposes described in this section.

(5) Take, hold, and administer, on behalf of any loan program and for purposes of this chapter, property and money and the interest and income derived from the property and money either absolutely or in trust.

(6) Accept gifts, grants, bequests, devises, and loans for purposes of this chapter.

(7) Adopt bylaws to implement this chapter.

Sec. 12. (a) An obligation of the program for losses on loans resulting from death, default, bankruptcy, or total or permanent disability of borrowers is not a debt of the state but is payable solely from the fund.

(b) The making of loans from the fund does not constitute the lending of credit by the state for purposes of any other statute or the Constitution of the State of Indiana.

Sec. 13. From the fund, the corporation shall:

(1) guarantee loans made by approved lenders upon conditions prescribed under this chapter to small or minority businesses to assist them in the operation or expansion of their businesses; and

(2) make loans upon conditions prescribed under this chapter to small or minority businesses for the purpose of assisting them in the operation and expansion of their businesses.

Sec. 14. In making loans from the fund, the corporation shall require that the recipients of the loans receive training in business and financial management skills, including the preparation and filing of state and federal tax returns.

Sec. 15. (a) The training required by section 14 of this chapter may be provided by consultants or staff members of the corporation. The corporation shall establish standards for the training.

(b) The duties of the consultants or staff members are as follows:

(1) To provide training in business and financial management techniques to the recipients of loans under this chapter when directed by the corporation.

(2) To oversee the fiscal operations of recipients of loans

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under this chapter for at least one (1) year following the receipt of the loan.

(3) To provide fiscal management assistance when necessary for at least one (1) year following the receipt of the loan, including assisting recipients in filing state and federal tax returns.

Chapter 30. Small Business Incubator Program

Sec. 1. As used in this chapter, "corporation" refers to the Indiana small business development corporation established under IC 5-28-27.

Sec. 2. As used in this chapter, "economically disadvantaged area" has the meaning set forth in IC 6-3.1-9-1.

Sec. 3. As used in this chapter, "fund" refers to the small business incubator fund established by section 7 of this chapter.

Sec. 4. As used in this chapter, "incubator" means a facility in which space may be leased by a tenant and in which management provides access to business development services for use by tenants.

Sec. 5. As used in this chapter, "sponsor" means an organization that enters into a written agreement with the corporation to:

- (1) establish, operate, and administer a small business incubator; or
- (2) provide funding to an organization that operates a small business incubator.

Sec. 6. As used in this chapter, "tenant" means a sole proprietorship, partnership, limited liability company, or corporation operating a business and occupying space in an incubator.

Sec. 7. (a) The small business incubator fund is established. The fund is a revolving fund to:

- (1) provide grants, loans, and loan guarantees under this chapter; and
- (2) pay the costs of administering this chapter.

The corporation shall administer the fund.

(b) The treasurer of state shall invest the money in the fund not currently needed to meet the obligations of the fund in the same manner as other public funds may be invested.

(c) Repayments of loans from the fund, including interest, shall be deposited in the fund.

(d) Money in the fund at the end of a state fiscal year does not revert to the state general fund.

Sec. 8. A political subdivision (as defined in IC 36-1-2-13), a

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1 nonprofit organization, or a for-profit organization may submit an
 2 application to the corporation to obtain a grant, loan, or loan
 3 guarantee to establish a small business incubator. The application
 4 must:

- 5 (1) describe the facility that is to be converted to an
 6 incubator;
- 7 (2) specify the cost of the conversion;
- 8 (3) demonstrate the ability of the applicant to directly provide
 9 or arrange for the provision of business development services
 10 (including financial consulting assistance, management and
 11 marketing assistance, and physical services) for tenants of the
 12 incubator;
- 13 (4) demonstrate a potential for sustained use of the incubator
 14 by eligible tenants through a market study or other means;
- 15 (5) demonstrate the ability of the applicant to operate the
 16 incubator in accordance with section 20 of this chapter;
- 17 (6) state that the applicant will not discriminate against an
 18 employee or applicant for employment on the basis of race,
 19 religion, color, national origin, sex, or age; and
- 20 (7) include any other information required by the
 21 corporation.

22 Sec. 9. The corporation shall award grants, loans, and loan
 23 guarantees based on the following criteria:

- 24 (1) The ability of the applicant to comply with section 20 of
 25 this chapter.
- 26 (2) The economic impact of the incubator on the community.
- 27 (3) Conformance with any areawide and local economic
 28 development plans.
- 29 (4) The location of the incubator, in order to encourage
 30 geographic distribution of incubators throughout Indiana.
- 31 (5) Other criteria established by the corporation.

32 Sec. 10. Grants and loans awarded or guaranteed under this
 33 chapter may be used only for the following purposes, when
 34 necessary for the creation and operation of an incubator:

- 35 (1) The acquisition and leasing of land and existing buildings.
- 36 (2) The construction or rehabilitation of buildings or other
 37 facilities.
- 38 (3) The purchase of equipment and furnishings.
- 39 (4) The payment of operating expenses of the incubator
 40 during the first twenty-four (24) months of its operation.

41 Sec. 11. A grant under this chapter may not exceed the lesser of:

- 42 (1) fifty percent (50%) of the total eligible project costs; or

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(2) two hundred fifty thousand dollars (\$250,000).

Sec. 12. An applicant for a grant may only use the grant in an economically disadvantaged area.

Sec. 13. A loan or loan guarantee under this chapter may not exceed the lesser of:

- (1) fifty percent (50%) of the total eligible project costs; or
- (2) five hundred thousand dollars (\$500,000).

Sec. 14. An applicant may apply for both a grant and a loan or loan guarantee, but the combined grant and loan or loan guarantee may not exceed five hundred thousand dollars (\$500,000).

Sec. 15. (a) A loan under this chapter must be secured by liens on collateral at the highest level of priority that can accommodate the borrower's ability to raise sufficient debt and equity capital.

(b) A financial institution holding an obligation that is guaranteed under this chapter must adequately secure the obligation.

Sec. 16. A grant, loan, or loan guarantee for an incubator in a facility that is leased may be made only if the applicant intends to buy the facility. A loan or loan guarantee must be secured by a leasehold mortgage.

Sec. 17. The corporation may defer payment of interest and principal on a loan under this chapter for a maximum of two (2) years.

Sec. 18. In order to establish a rate of interest for a loan under this chapter, the corporation shall select a nationally recognized index of municipal bond averages and a date not less than one (1) month nor more than two (2) months before the granting of the loan. The rate of interest on the loan must be one percent (1%) less than the average published on the date closest to the selected date by the selected nationally recognized index, rounded to the next lowest whole percent. The corporation may determine that the rounding down should be to a fraction of a percent that is a multiple of either one-tenth of one percent (0.1%) or one-fourth of one percent (0.25%).

Sec. 19. A loan or a loan guarantee under this chapter may not exceed the lesser of:

- (1) ten (10) years; or
- (2) the useful life of the property for which the loan is granted or guaranteed, as determined by the United States Department of the Treasury.

Sec. 20. A sponsor or an organization receiving assistance through a sponsor has the following duties in establishing and

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operating a small business incubator with assistance under this chapter:

(1) Securing title to the facility or leasing the facility with the intent to secure title.

(2) Managing the physical development of the incubator facility, including the provision of common conference or meeting space.

(3) Furnishing and equipping the facility to provide business services to the tenants.

(4) Marketing the facility and securing eligible tenants.

(5) Providing or arranging for the provision of financial consulting, assistance in accessing private financial markets, and marketing and management assistance services for the tenants.

(6) Establishing rental and service fees.

(7) Encouraging the sharing of ideas among tenants and aiding the tenants in an innovative manner while they are within the incubator.

(8) Establishing policies for:

(A) the acceptance of tenants into the incubator; and

(B) the termination of occupancy by tenants.

(9) Encouraging the establishment of small business incubators in economically disadvantaged areas. However, if the small business incubator secures only a loan or loan guarantee under this chapter, this subdivision does not limit the establishment of the small business incubator to economically disadvantaged areas.

(10) Establishing a local advisory committee to assist in the performance of the duties listed in this section. Advisory committee members must represent fields that can contribute to the sound operation of the incubator, such as accounting, finance, law, education, and small business. Advisory committee members may not vote on projects of sponsors or tenants with whom the member is financially affiliated.

Sec. 21. The corporation has the following duties under this chapter:

(1) Making grants, loans, and loan guarantees to sponsors for small business incubators.

(2) Ensuring that sponsors receiving grants, loans, or loan guarantees meet the conditions of this chapter.

(3) Receiving and evaluating annual reports from sponsors. These reports must include a financial statement for the

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incubator, evidence that all the tenants in the incubator are eligible under the terms of this chapter, a list of tenants in the incubator, and any other information required by the corporation.

(4) Establishing policies to implement this chapter. These policies must include provisions permitting greater flexibility with respect to the establishment and operation of incubators in the areas described in section 20(9) of this chapter, including more flexible tenant policies.

Sec. 22. Before July 2 each year, the corporation shall provide the legislative council and the governor with a report that includes the following information:

(1) The number of applications for incubators received by the corporation.

(2) The number of applications for incubators approved by the corporation.

(3) The number of incubators created under this chapter.

(4) The number of tenants occupying each incubator.

(5) The occupancy rate of each incubator.

(6) The number of jobs provided by each incubator and the tenants of each incubator.

(7) The number of firms still operating in Indiana after leaving incubators and the number of jobs provided by those firms. The corporation shall attempt to identify the reasons firms that were established in an incubator have moved to another state.

The report to the legislative council must be in an electronic format under IC 5-14-6.

Sec. 23. The corporation may establish one (1) or more advisory committees to assist the corporation in implementing this chapter. Advisory committee members may not be affiliated financially with a sponsor or tenant and must represent fields that can contribute to the sound operation of the incubator program (such as accounting, finance, law, education, and small business).

Chapter 31. Indiana Film Commission

Sec. 1. The Indiana film commission is established. The commission is established to:

(1) encourage the filming of motion pictures at sites within Indiana; and

(2) encourage the filming of television shows, commercials and other audiovisual communications in Indiana.

Sec. 2. (a) The commission is composed of twelve (12) members.

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1 The members shall be appointed by the governor on the basis of
 2 their interest in or relationship to the development of a film
 3 industry in Indiana. The governor shall designate which member
 4 is to serve as chairperson.

5 (b) Each member is entitled to serve a three (3) year term that
 6 expires on June 30 of the last year of the term. A member may
 7 serve successive terms. Vacancies shall be filled by the governor.

8 (c) Each member of the commission is entitled to the minimum
 9 salary per diem provided by IC 4-10-11-2.1(b) for attendance at
 10 commission or executive committee meetings. A member is also
 11 entitled to reimbursement for traveling expenses and other
 12 expenses actually incurred in connection with attendance at
 13 commission or executive committee meetings, as provided in the
 14 state travel policies and procedures established by the Indiana
 15 department of administration and approved by the budget agency.

16 Sec. 3. Meetings of the commission and of its executive
 17 committee shall be called by the chairperson. A majority, either of
 18 the commission or of the executive committee, constitutes a
 19 quorum for the purpose of doing business.

20 Sec. 4. The lieutenant governor shall appoint an executive
 21 director to serve as the chief operating officer of the commission.
 22 The executive director, subject to the approval of the commission,
 23 may hire personnel, prescribe their duties, and fix their
 24 compensation within the limitations imposed by law.

25 Sec. 5. (a) The commission shall:

- 26 (1) establish a close working relationship with film industry
- 27 representatives in this country and abroad, if appropriate;
- 28 (2) coordinate locational activities in Indiana;
- 29 (3) provide liaison activities during actual film production;
- 30 (4) perform all appropriate research and background work
- 31 related to determination of film industry plans and
- 32 requirements;
- 33 (5) establish an aggressive promotional and informational
- 34 effort designed to attract film producers to Indiana;
- 35 (6) establish the policy and goals of the commission; and
- 36 (7) prepare the budget recommendations for the commission.

37 (b) The commission and its staff members may work closely
 38 with other agencies of state government or with any other
 39 individual, institution, or group to accomplish the responsibilities
 40 enumerated in subsection (a).

41 Sec 6. (a) The commission is a subsidiary of the corporation.

42 (b) The commission shall do the following:

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(1) Report concerning its operations to the director of the office at least quarterly.

(2) Provide any information requested by the director or the board.

Chapter 32. Indiana Business Modernization and Technology Corporation

Sec. 1. As used in this chapter, "Indiana business modernization and technology corporation" or "corporation" refers to the corporation established under section 2 of this chapter.

Sec. 2. The governor may request, on behalf of the state, the establishment of a private nonprofit corporation to carry out the purposes of this chapter. If:

(1) such a corporation is established;

(2) the corporation satisfies the conditions imposed by section 3 of this chapter; and

(3) the governor certifies the corporation;

the corporation may perform the functions provided by section 4 of this chapter. Before certification by the governor, the corporation must conduct a public hearing to give all interested parties an opportunity to review and comment on the articles of incorporation, bylaws, and methods of operation of the corporation. Notice of the hearing must be given at least fourteen (14) days before the hearing in accordance with IC 5-14-1.5-5(b).

Sec. 3. The articles of incorporation and bylaws of the corporation must provide that:

(1) the purposes of the corporation are to contribute to the strengthening of the economy of Indiana through the development of science and technology and to promote the modernization of Indiana businesses by supporting the transfer of science, technology, and quality improvement methods to the workplace;

(2) the board of directors of the corporation is composed of twenty-five (25) individuals appointed by the governor with eight (8) persons representing the public sector, eight (8) persons representing the private business and labor sector, eight (8) persons who are educators, and one (1) person who shall serve as chairperson and shall represent the public sector, the private business and labor sector, or the education sector;

(3) the board of directors, with the approval of the governor, shall appoint an executive committee composed of seven (7) of its members;

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(4) the corporation may receive money from a source, may borrow money, may enter into contracts, and may expend money for activities appropriate to its purpose;

(5) the corporation may appoint staff and do other things necessary or incidental to carrying out the functions listed in section 4 of this chapter;

(6) changes in the articles of incorporation or bylaws must be approved by the governor;

(7) the corporation shall submit an annual report to the governor and to the general assembly (in an electronic format under IC 5-14-6); that the report is due on the first day of November for each year and shall include detailed information on the structure, operation, and financial status of the corporation; that the corporation shall conduct an annual public hearing to receive comment from interested parties regarding the report; and that notice of the hearing shall be given at least fourteen (14) days before the hearing in accordance with IC 5-14-1.5-5(b); and

(8) the corporation is subject to an annual audit by the state board of accounts, and that the corporation shall bear the full costs of this audit.

Sec. 4. The corporation, after being certified by the governor as provided by section 2 of this chapter, may:

(1) establish a statewide business modernization network to assist Indiana businesses in identifying ways to increase productivity and market competitiveness;

(2) identify scientific and technological problems and opportunities related to the economy of Indiana and formulate proposals to overcome those problems or realize those opportunities;

(3) identify specific areas in which scientific research and technological investigation will contribute to the improvement of productivity of Indiana manufacturers and farmers;

(4) determine specific areas in which financial investment in scientific and technological research and development from private businesses located in Indiana could be improved or increased if state resources were made available to assist in financing activities;

(5) assist in establishing cooperative associations of universities in Indiana and of private enterprises to coordinate research and development programs that will, consistent with the primary educational function of the

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universities, aid in the creation of new jobs in Indiana;
 (6) assist in financing the establishment and continued development of technology intensive businesses in Indiana;
 (7) advise universities of the research needs of Indiana businesses and improve the exchange of scientific and technological information for the mutual benefit of universities and private businesses;
 (8) coordinate programs established by universities to provide Indiana businesses with scientific and technological information;
 (9) establish programs in scientific education that will support the accelerated development of technology intensive businesses in Indiana;
 (10) provide financial assistance through contracts, grants, and loans to programs of scientific and technological research and development; and
 (11) determine how public universities can increase income derived from the sale or licensure of products or processes having commercial value that are developed as a result of university sponsored research programs.

Sec. 5. Debts incurred by the corporation under authority of this chapter do not represent or constitute a debt of the state within the meaning of the Constitution of the State of Indiana or Indiana statutes.

Sec. 6. The certification by the governor under section 2 of this chapter remains in effect until the general assembly provides by law for termination of the designation.

Sec. 7. The corporation shall consider projects involving the creation of the following:

- (1) Markets for products made from recycled materials.
- (2) New products made from recycled materials.

Sec. 8. (a) The corporation is a subsidiary of the Indiana economic development corporation established by IC 5-28-3-1.

(b) The corporation shall do the following:

- (1) Report concerning its operations to the director of the office at least quarterly.
- (2) Provide information requested by the director or the board of the Indiana economic development corporation.

Chapter 33. Indiana Economic Development Council

Sec. 1. As used in this chapter, "board" refers to the board of directors of the council.

Sec. 2. (a) As used in this chapter, "council" refers to the

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1 Indiana economic development council established by this section.

2 (b) The Indiana economic development council is established.

3 Sec. 3. (a) The articles of incorporation or bylaws of the council,
4 as appropriate, must provide that:

5 (1) the exclusive purpose of the council is to contribute to the
6 strengthening of the economy of Indiana by:

7 (A) coordinating the activities of parties having a role in
8 Indiana's economic development through evaluating,
9 overseeing, and appraising those activities on an ongoing
10 basis;

11 (B) overseeing the implementation of Indiana's economic
12 development plan and monitoring the updates of that plan;
13 and

14 (C) educating and assisting parties involved in improving
15 the long range vitality of Indiana's economy;

16 (2) the board must include:

17 (A) the governor;

18 (B) the lieutenant governor;

19 (C) the chief operating officer of the council; and

20 (D) additional persons appointed by the governor who are
21 actively engaged in Indiana in private enterprise,
22 organized labor, state or local governmental agencies, and
23 education, and who represent the diverse economic and
24 regional interests throughout Indiana;

25 (3) the governor shall serve as chairperson of the board of the
26 council, and the lieutenant governor shall serve as the chief
27 executive officer of the council;

28 (4) the governor shall appoint as vice chairperson of the board
29 a member of the board engaged in private enterprise;

30 (5) the lieutenant governor shall be responsible as chief
31 executive officer for overseeing implementation of Indiana's
32 economic development plan as articulated by the council and
33 shall oversee the activities of the council's chief operating
34 officer;

35 (6) the governor may appoint an executive committee
36 composed of members of the board (size and structure of the
37 executive committee shall be set by the articles and bylaws of
38 the council);

39 (7) the council may receive funds from any source and may
40 expend funds for activities necessary, convenient, or expedient
41 to carry out its purposes;

42 (8) amendments to the articles of incorporation or bylaws of

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the council must be approved by the governor;

(9) the council shall submit an annual report to the governor and to the general assembly on or before the first day of November for each year;

(10) the council shall conduct an annual public hearing to receive comment from interested parties regarding the annual report, and notice of the hearing shall be given at least fourteen (14) days prior to the hearing in accordance with IC 5-14-1.5-5(b); and

(11) the council is subject to an annual audit by the state board of accounts, and the council shall bear the full costs of this audit.

The report to the general assembly under subdivision (9) must be in an electronic format under IC 5-14-6.

(b) The council is a subsidiary of the Indiana economic development corporation established by IC 5-28-3-1.

(c) The council shall do the following:

(1) Report to the chairperson of the Indiana economic development corporation at least quarterly regarding the operations of the council.

(2) Provide information requested by the chairperson or the board of the Indiana economic development corporation.

(d) The council may perform other acts and things necessary, convenient, or expedient to carry out the purposes identified in this section, and it has the rights, powers, and privileges granted to corporations by IC 23-17 and by common law.

Sec. 4. The council may, in furtherance of its purpose described in section 3(a)(1) of this chapter, engage in the following activities:

(1) Update, revise, and manage the state's strategic planning process to adapt to changes in society and in the economy, and to thereby combat community deterioration by assuring that effective methods are developed for improving the state's economy.

(2) Establish and coordinate the operation of programs commonly available to all citizens of Indiana to implement a strategic plan for the state's economic development and to enhance the general welfare.

(3) Evaluate and analyze the state's economy to determine the direction of future public and private actions, and report and make recommendations to the governor with respect to the state's economy.

Sec. 5. Debt incurred by the council under authority of this

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chapter does not represent or constitute a debt of the state within the meaning of the Constitution of the State of Indiana or Indiana statutes.

Sec. 6. The council established under this chapter remains in effect until the general assembly provides by law for termination of the council.

SECTION 33. IC 5-29 IS ADDED TO THE INDIANA CODE AS A NEW ARTICLE TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]:

ARTICLE 29. DEPARTMENT OF TOURISM

Chapter 1. Definitions

Sec. 1. The definitions set forth in this chapter apply throughout this article.

Sec. 2. "Department" refers to the department of tourism established by IC 5-29-2-1.

Sec. 3. "Director" refers to the director of the department of tourism appointed under IC 5-29-2-2.

Chapter 2. Department of Tourism

Sec. 1. The department of tourism is established.

Sec. 2. The lieutenant governor shall appoint the director of the department, who serves at the pleasure of the lieutenant governor. The director is the executive and chief administrative officer of the department. The director is entitled to compensation in an amount to be fixed by the budget agency with the approval of the lieutenant governor.

Sec. 3. The director may appoint or employ deputy directors, assistants, and employees as necessary in the performance of the department's functions. Salaries of personnel shall be fixed by the director, with the approval of the lieutenant governor and the budget agency.

Sec. 4. (a) The department may do the following:

(1) Cooperate with federal, state, and local governments and agencies in the coordination of programs to make the best use of the resources of the state.

(2) Receive and expend funds, grants, gifts, and contributions of money, property, labor, interest accrued from loans made by the department, and other things of value from public and private sources, including grants from agencies and instrumentalities of the state and the federal government. The department:

(A) may accept federal grants for providing planning assistance, making grants, or providing other services or

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functions necessary to political subdivisions, planning commissions, or other public or private organizations;

(B) shall administer these grants in accordance with the terms of the grants; and

(C) may contract with political subdivisions, planning commissions, or other public or private organizations to carry out the purposes for which the grants were made.

(3) Direct that assistance, information, and advice regarding the duties and functions of the department be given to the department by an officer, agent, or employee of the state. The head of any other state department or agency may assign any of the department's or agency's employees to the department on a temporary basis, or may direct a division or agency under the department's or agency's supervision and control to make a special study or survey requested by the director.

(4) Disseminate information concerning the cultural, recreational, quality of life, and tourism advantages of Indiana.

(5) Plan, direct, and conduct research activities.

(b) The department shall perform the following duties:

(1) Assist in the development and promotion of Indiana's tourist resources, facilities, attractions, and activities.

(2) Implement a federal program delegated to the state to carry out this article.

Sec. 5. The director may establish entities to advise the department on issues determined by the director. If the director establishes an advisory entity under this section, the advisory entity must:

(1) have members that represent diverse geographic areas and economic sectors of Indiana; and

(2) include members or representatives of tourism organizations.

Sec. 6. The director may adopt rules under IC 4-22-2 to carry out this article.

Sec. 7. The director shall be an ex officio nonvoting member of the Indiana economic development corporation board established by IC 5-28-3-1.

Chapter 3. Tourism Information and Promotion Fund

Sec. 1. As used in this chapter, "fund" refers to the tourism information and promotion fund established by section 4 of this chapter.

Sec. 2. As used in this chapter, "promotion" includes the

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1 planning and conducting of information and advertising
2 campaigns.

3 **Sec. 3.** As used in this chapter, "tourism group" means a private
4 nonprofit corporation established under Indiana law whose
5 purposes include the promotion of tourist resources and facilities
6 within Indiana.

7 **Sec. 4.** The tourism information and promotion fund is
8 established. The fund shall be used exclusively for the purpose of
9 section 5 of this chapter. Money appropriated to the fund remains
10 in the fund and does not revert to any other fund at the close of a
11 state fiscal year.

12 **Sec. 5.** The department may make grants from the fund to
13 tourism groups for the promotion of tourist resources and facilities
14 in Indiana. However, each grant must be matched by funds
15 provided by the applicant, and the department may not provide
16 more than one-half (1/2) of the funds for a project. The matching
17 funds required from the applicant may be provided by any source
18 except other state funds.

19 **Sec. 6.** An application for a grant from the fund must include:

- 20 (1) a detailed description of the proposed project;
- 21 (2) the short term and long term goals of the project; and
- 22 (3) an estimate of the total cost of the project based on at least
23 two (2) competitive bids for the materials and services
24 involved, when applicable.

25 **Sec. 7. (a)** The tourist information and grant fund review
26 committee is established. The committee consists of nine (9) voting
27 members and six (6) nonvoting members appointed by the
28 lieutenant governor.

29 **(b)** The nine (9) voting members are:

- 30 (1) the lieutenant governor or the lieutenant governor's
31 designee; and
- 32 (2) eight (8) persons with expertise in evaluation of tourism
33 information and promotion fund grant requests and an
34 interest in the development of the tourism industry in Indiana,
35 one (1) of whom must be an employee of the department.

36 **(c)** The six (6) nonvoting members shall be chosen from among
37 the members of the general assembly. Not more than three (3) of
38 the nonvoting members may be of the same political party.

39 **(d)** The voting members appointed under subsection (b)(2) shall
40 serve a four (4) year term. The six (6) nonvoting members shall
41 serve the lesser of a two (2) year term or until the nonvoting
42 members' current term of office as a member of the general

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1 assembly expires. The director shall appoint members in such a
2 manner as to fairly represent all geographic areas of Indiana.

3 (e) Committee members shall serve without pay and may not be
4 reimbursed for expenses.

5 (f) The lieutenant governor may remove a member from the
6 committee on a showing of good cause.

7 Sec. 8. After consideration of the general merits, potential
8 effectiveness, total cost, and other factors regarding the proposed
9 project, the committee shall recommend to the director that the
10 application be approved or disapproved, in whole or in part.
11 However, the director shall, based on the committee's
12 recommendation, make the final determination of approval or
13 disapproval of each application.

14 Sec. 9. (a) If the application is approved, the department shall
15 determine the amount of the grant to be made from the fund for
16 the project. When affirmative action on an application has been
17 taken and the appropriate parties notified, the department shall
18 allocate the sum granted from the fund to the account of the
19 tourism group from which the application originated.

20 (b) The department may indicate its intention to reimburse a
21 tourism group for tourism promotion activities by sending the
22 group a letter of credit. However, the department may not pay
23 money to a group for a project until that project is completed. A
24 group may submit vouchers, receipts, and other materials to
25 indicate that a project is completed.

26 Sec. 10. Promotional materials produced with the assistance of
27 funds provided under this chapter must include the following
28 statement: "Produced in cooperation with the Indiana Department
29 of Tourism.".

30 Sec. 11. The department may adopt rules under IC 4-22-2 to
31 carry out this chapter.

32 Chapter 4. Tourism Marketing Fund

33 Sec. 1. As used in this chapter, "fund" refers to the tourism
34 marketing fund established by section 7 of this chapter.

35 Sec. 2. As used in this chapter, "marketing" means the sale, gift,
36 or other transfer of special items or other items in accordance with
37 this chapter.

38 Sec. 3. As used in this chapter, "person" means an individual, a
39 corporation, a limited liability company, a partnership, a firm, an
40 association, a public or private agency, or other organization.

41 Sec. 4. As used in this chapter, "promotion" means the planning
42 and conducting of informational and advertising campaigns.

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1 **Sec. 5. As used in this chapter, "special item" means an item or**
 2 **a work that:**

3 **(1) contains a logo, design, trademark, patentable material, or**
 4 **copyrightable material owned by the state or an agency,**
 5 **instrumentality, or public officer of the state; and**

6 **(2) relates in any way to any of the powers, duties, or**
 7 **functions of the director.**

8 **Sec. 6. As used in this chapter, "trademark" means a trademark**
 9 **granted by either the United States or a state of the United States.**

10 **Sec. 7. (a) The tourism marketing fund is established. Money in**
 11 **the fund does not revert to the state general fund at the end of a**
 12 **state fiscal year. The fund is a revolving fund to be used exclusively**
 13 **for purposes of this chapter. However, if the fund is abolished,**
 14 **money in the fund reverts to the state general fund.**

15 **(b) The director may market special items in any manner, with**
 16 **the proceeds to be deposited in the fund. The treasurer of state**
 17 **shall invest money not needed to meet current obligations in the**
 18 **same manner as other public funds may be invested. Interest that**
 19 **accrues from these investments shall be credited to the fund.**

20 **(c) The director may receive and accept to be deposited in the**
 21 **fund, grants, gifts, and contributions from public and private**
 22 **sources, in addition to money received from the marketing of**
 23 **special items or other items in accordance with this chapter.**

24 **(d) The director shall administer the fund and is responsible for**
 25 **the administration of this chapter. The director, subject to**
 26 **approval by the budget agency, may employ personnel as necessary**
 27 **for the marketing of special items and other items, as well as for**
 28 **the efficient administration of this chapter. The director may also**
 29 **grant exclusive or nonexclusive licenses to a person with respect to**
 30 **the performance of marketing duties or powers under this chapter.**

31 **(e) The director may make and execute contracts and all other**
 32 **instruments necessary or convenient for the performance of the**
 33 **director's duties and the exercise of the director's powers and**
 34 **functions under this chapter.**

35 **Sec. 8. The director may use the money in the fund for the**
 36 **following:**

37 **(1) Future marketing of special items or other items in**
 38 **accordance with this chapter.**

39 **(2) The promotion and development of tourism in Indiana.**

40 **Sec. 9. A person may not market special items without the**
 41 **written consent of the director, and the director may require**
 42 **royalty payments from a person before giving the director's**

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1 consent. Money from royalty payments shall be deposited in the
2 fund.

3 Sec. 10. The director may begin marketing special items
4 together with other items on or within land or facilities owned or
5 leased by the state, with the cooperation of the state agency, board,
6 or commission in control of the land or facilities.

7 Sec. 11. The director and every agency, board, and commission
8 of the state are exempt from taxes imposed by the state, except the
9 state gross retail tax (IC 6-2.5-2), arising out of the marketing of
10 special items and other items in accordance with this chapter.
11 However, this section does not exempt any other person from
12 applicable tax on the person's income or business insofar as that
13 person is involved in the marketing of special items or other items
14 in accordance with this chapter.

15 Chapter 5. Indiana Tourism Council

16 Sec. 1. As used in this chapter, "council" refers to the Indiana
17 tourism council established by section 2 of this chapter.

18 Sec. 2. The Indiana tourism council is established.

19 Sec. 3. The council consists of the following members:

20 (1) The lieutenant governor.

21 (2) Two (2) members of the senate, who may not be members
22 of the same political party, appointed by the president pro
23 tempore of the senate, for a term of one (1) year.

24 (3) Two (2) members of the house of representatives, who may
25 not be members of the same political party, appointed by the
26 speaker of the house of representatives, for a term of one (1)
27 year.

28 (4) Six (6) regional tourism industry representatives,
29 appointed by the respective tourism regions, for a term of one
30 (1) year.

31 (5) Eleven (11) representatives of the private sector, appointed
32 by the governor, for a term of two (2) years.

33 (6) The director.

34 (7) The commissioner of the Indiana department of
35 transportation.

36 (8) The director of the department of natural resources.

37 (9) A member appointed by the Indiana Hotel and Motel
38 Association, for a term of one (1) year.

39 (10) A member appointed by the Restaurant and Hospitality
40 Association of Indiana, for a term of one (1) year.

41 (11) A member appointed by the Association of Indiana
42 Convention and Visitor Bureaus, for a term of one (1) year.

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- 1 (12) A member appointed by the Council of Indiana
- 2 Attractions, for a term of one (1) year.
- 3 (13) A member appointed by the Indiana Gaming Association,
- 4 for a term of one (1) year.
- 5 (14) A member appointed by the Recreation Vehicle Indiana
- 6 Council, for a term of one (1) year.
- 7 (15) A member appointed by the Indiana Bed and Breakfast
- 8 Association, for a term of one (1) year.
- 9 (16) A member appointed by the Indiana State Festival
- 10 Association, for a term of one (1) year.
- 11 Sec. 4. (a) Seventeen (17) members of the council constitute a
- 12 quorum.
- 13 (b) The affirmative votes of a majority of the members
- 14 appointed to the council are required for the council to take action.
- 15 (c) The lieutenant governor shall serve as chairperson of the
- 16 council.
- 17 (d) The council shall adopt written procedures to govern the
- 18 transaction of business by the council.
- 19 (e) Each member of the council who is not a state employee is
- 20 not entitled to the minimum salary per diem provided by
- 21 IC 4-10-11-2.1(b). The member is also not entitled to
- 22 reimbursement for traveling expenses and other expenses actually
- 23 incurred in connection with the member's duties.
- 24 (f) Each member of the council who is a state employee but who
- 25 is not a member of the general assembly is not entitled to
- 26 reimbursement for traveling expenses and other expenses actually
- 27 incurred in connection with the member's duties.
- 28 Sec. 5. The council shall do the following:
- 29 (1) Assist in developing goals and objectives for the
- 30 department.
- 31 (2) Establish advisory groups to make recommendations to
- 32 the department on tourism research, development, and
- 33 marketing.
- 34 (3) Analyze the results and effectiveness of grants made by the
- 35 department.
- 36 (4) Build commitment and unity among tourism industry
- 37 groups.
- 38 (5) Create a forum for sharing talent, resources, and ideas
- 39 regarding tourism.
- 40 (6) Encourage public and private participation necessary for
- 41 the promotion of tourism.
- 42 (7) Make recommendations to the department regarding

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1 matters involving tourism.

2 **Sec. 6. The council may receive funds from any source and may**
 3 **expend funds for activities necessary, convenient, or expedient to**
 4 **carry out the council's purposes.**

5 **Sec. 7. The department shall provide support and administrative**
 6 **services to the council.**

7 **Sec. 8. The council shall submit an annual report to the**
 8 **governor and to the general assembly in an electronic format**
 9 **under IC 5-14-6 on or before the first day of November each year.**

10 SECTION 34. IC 6-1.1-10-42, AS ADDED BY P.L.178-2002,
 11 SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 12 JULY 1, 2005]: Sec. 42. (a) A corporation that is:

13 (1) nonprofit; and

14 (2) participates in the small business incubator program under

15 ~~IC 4-4-18~~; **IC 5-28-30**;

16 is exempt from property taxation to the extent of tangible property used
 17 for small business incubation.

18 (b) A corporation that wishes to obtain an exemption from property
 19 taxation under this section must file an exemption application under
 20 IC 6-1.1-11.

21 SECTION 35. IC 6-1.1-12.1-11 IS AMENDED TO READ AS
 22 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 11. On a quadrennial
 23 basis, the general assembly shall provide for an evaluation of the
 24 provisions of this chapter, giving first priority to using the Indiana
 25 economic development council established under ~~IC 4-3-14-4~~.
 26 **IC 5-28-33**. The evaluation must be a fiscal analysis, including an
 27 assessment of the effectiveness of the provisions of this chapter to:

28 (1) create new jobs;

29 (2) increase income; and

30 (3) increase the tax base;

31 in the jurisdiction of the designating body. The fiscal analysis may also
 32 consider impacts on tax burdens borne by various classes of property
 33 owners. The fiscal analysis may also include a review of the practices
 34 and experiences of other states or political subdivisions with laws
 35 similar to the provisions of this chapter. The president of the Indiana
 36 economic development council established under ~~IC 4-3-14-4~~
 37 **IC 5-28-33** or another person or entity designated by the general
 38 assembly shall submit a report on the evaluation to the governor, the
 39 president pro tempore of the senate, and the speaker of the house of
 40 representatives before December 1, 1999, and every fourth year
 41 thereafter.

42 SECTION 36. IC 6-1.1-20.7-1 IS AMENDED TO READ AS

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1 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 1. As used in this
 2 chapter, "board" means the enterprise zone board created under
 3 ~~IC 4-4-6-1~~. **IC 5-28-20.**

4 SECTION 37. IC 6-1.1-20.7-13 IS AMENDED TO READ AS
 5 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 13. (a) Except as
 6 provided in subsection (b), a person is not entitled to claim the credit
 7 provided by this chapter to the extent that the person substantially
 8 reduces or ceases its operations in Indiana in order to relocate them
 9 within the industrial recovery site. A determination that a person is not
 10 entitled to the credit provided by this chapter as a result of a substantial
 11 reduction or cessation of operations applies to credits that would
 12 otherwise reduce a person's property tax liability attributable to the
 13 assessment date in the year in which the substantial reduction or
 14 cessation occurs and to credits in all subsequent years. Notwithstanding
 15 section 11 of this chapter, determinations under this section shall be
 16 made by the board in accordance with ~~IC 4-4-6-1-6~~. **IC 5-28-20-18.**

17 (b) This section does not apply if the operations that are
 18 substantially reduced or ceased are in the same municipality as the
 19 industrial recovery site and the consent, by ordinance or resolution, of
 20 the legislative body of the municipality is secured. However, in that
 21 case the industrial recovery site inventory value on each of the
 22 assessment dates following the substantial reduction or cessation of
 23 operations shall be reduced by an amount equal to:

24 (1) in the case of a cessation of operations at a location within the
 25 municipality, the assessed value of the inventory at the location
 26 on the assessment date before the cessation; or

27 (2) in the case of a substantial reduction of operations at a
 28 location within the municipality, the assessed value of the
 29 inventory at the location on the assessment date before the date
 30 that the substantial reduction began, minus:

31 (A) the assessed value of the inventory at the location on the
 32 current assessment date if the substantial reduction has not
 33 been completed as of that date; or

34 (B) the assessed value of the inventory at the location on the
 35 assessment date immediately preceding the date that the
 36 substantial reduction was completed.

37 The amount of the industrial recovery site inventory value as computed
 38 under this subsection may not be less than zero (0).

39 SECTION 38. IC 6-1.1-20.8-1 IS AMENDED TO READ AS
 40 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 1. (a) A person is
 41 entitled to a credit against his property tax liability under IC 6-1.1-2 for
 42 a particular year in the amount of his property tax liability under

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1 IC 6-1.1-2 on enterprise zone inventory for that year.

2 (b) As used in this section, "enterprise zone inventory" means
3 inventory, as defined in IC 6-1.1-3-11, that is located within an
4 enterprise zone created under ~~IC 4-4-6.1~~ **IC 5-28-20** on the assessment
5 date.

6 SECTION 39. IC 6-1.1-20.8-2.5, AS AMENDED BY P.L.256-2003,
7 SECTION 23, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
8 JULY 1, 2005]: Sec. 2.5. (a) A person that desires to claim the credit
9 provided by section 1 of this chapter shall file a certified application,
10 on forms prescribed by the department of local government finance,
11 with the auditor of the county where the property for which the credit
12 is claimed was located on the assessment date. A person that timely
13 files a personal property return under IC 6-1.1-3-7(a) for an assessment
14 year must file the application between March 1 and May 15 of that year
15 in order to obtain the credit in the following year. A person that obtains
16 a filing extension under IC 6-1.1-3-7(b) for an assessment year must
17 file the application between March 1 and the extended due date for that
18 year in order to obtain the credit in the following year.

19 (b) A taxpayer shall include on an application filed under this
20 section all information that the department of local government finance
21 requires to determine eligibility for the credit provided under this
22 chapter.

23 (c) Compliance with this chapter does not exempt a person from
24 compliance with ~~IC 4-4-6.1-2.5~~ **IC 5-28-20-10**.

25 SECTION 40. IC 6-1.1-20.8-4, AS ADDED BY P.L.245-2003,
26 SECTION 18, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
27 JULY 1, 2005]: Sec. 4. An U.E.A. created under ~~IC 4-4-6.1-4~~
28 **IC 5-28-20-16** may by resolution waive failure to file a:

29 (1) timely; or

30 (2) complete;

31 credit application under section 2.5 of this chapter. Before adopting a
32 waiver under this subsection, the U.E.A. shall conduct a public hearing
33 on the waiver.

34 SECTION 41. IC 6-1.1-21-5.5 IS AMENDED TO READ AS
35 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 5.5. (a) An economic
36 development district that is located in one (1) or more taxing districts
37 in a county qualifies that county and the taxpayers located in those
38 taxing districts for additional distributions and credits under this
39 chapter if the following requirements are met:

40 (1) The economic development district was established under
41 IC 6-1.1-39.

42 (2) The economic development district was established before

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January 1, 1988.

(3) The additional distributions and credits for the economic development district were approved by the department of commerce before January 1, 1988.

(b) The department of commerce **(before its abolishment)** may not issue more than three (3) approvals under this section.

SECTION 42. IC 6-1.1-21.8-6, AS ADDED BY P.L.157-2002, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 6. (a) As used in this section, "delinquent tax" means any tax:

(1) owed by a taxpayer in a bankruptcy proceeding initially filed in 2001; and

(2) not paid during the calendar year in which it was first due and payable.

(b) Except as provided in subsection (d), the proceeds of a loan received by the qualified taxing unit under this chapter are not considered to be part of the ad valorem property tax levy actually collected by the qualified taxing unit for taxes first due and payable during a particular calendar year for the purpose of calculating the levy excess under IC 6-1.1-18.5-17 and IC 6-1.1-19-1.7. The receipt by a qualified taxing unit of any payment of delinquent tax owed by a taxpayer in bankruptcy is considered to be part of the ad valorem property tax levy actually collected by the qualified taxing unit for taxes first due and payable during a particular calendar year for the purpose of calculating the levy excess under IC 6-1.1-18.5-17 and IC 6-1.1-19-1.7.

(c) The proceeds of a loan made under this chapter must first be used to retire any outstanding loans made by the department of commerce **(including any loans made by the department of commerce that are transferred to the Indiana economic development corporation)** to cover a qualified taxing unit's revenue shortfall resulting from the taxpayer's default on property tax payments. Any remaining proceeds of a loan made under this chapter and any payment of delinquent taxes by the taxpayer may be expended by the qualified taxing unit only to pay obligations of the qualified taxing unit that have been incurred under appropriations for operating expenses made by the qualified taxing unit and approved by the department of local government finance.

(d) If the sum of the receipts of a qualified taxing unit that are attributable to:

(1) the loan proceeds; and

(2) the payment of property taxes owed by a taxpayer in a

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bankruptcy proceeding and payable in November 2001, May 2002, or November 2002;

exceeds the sum of the taxpayer's property tax liability attributable to the qualified taxing unit for property taxes payable in November 2001, May 2002, and November 2002, the excess as received during any calendar year or years shall be set aside and treated for the calendar year when received as a levy excess subject to IC 6-1.1-18.5-17 or IC 6-1.1-19-1.7. In calculating the payment of property taxes as referred to in subdivision (2), the amount of property tax credit finally allowed under IC 6-1.1-21-5 in respect to those taxes is considered to be a payment of those property taxes.

SECTION 43. IC 6-1.1-39-1.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 1.5. As used in this chapter, "industrial development program" has the meaning set forth in ~~IC 4-4-8-1~~ **IC 5-28-10-3**.

SECTION 44. IC 6-1.1-39-2.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 2.5. (a) Within thirty (30) days after the adoption of the ordinance under section 2 of this chapter, the fiscal body shall file with the ~~department of commerce~~:

Indiana economic development corporation:

- (1) a copy of the ordinance;
- (2) a description of the proposed industrial development program and qualified industrial development project; and
- (3) other additional data and information that will enable the ~~department of commerce~~ **corporation** to determine preliminarily whether the unit may qualify for a loan from the industrial development fund established under ~~IC 4-4-8~~ **IC 5-28-10**.

(b) The ~~department~~ **Indiana economic development corporation** shall review the data and related information submitted under subsection (a) to determine preliminarily whether:

- (1) the proposed project will qualify as a qualified industrial development project;
- (2) there is a reasonable likelihood that the proposed qualified industrial development project will be initiated and accomplished; and
- (3) there is a reasonable likelihood that an application by the unit under ~~IC 4-4-8-5~~ **IC 5-28-10-12** for a loan from the industrial development fund to institute and administer the proposed industrial development program will be approved by the ~~department~~ **corporation** and the state board of finance.

(c) If the ~~department~~ **Indiana economic development corporation** preliminarily determines under subsection (b) that the proposed project

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1 does not or will not qualify as a qualified industrial development
 2 project or that there is not a reasonable likelihood that a loan from the
 3 industrial development fund will be approved under ~~IC 4-4-8-5~~,
 4 **IC 5-28-10-12**, the ~~department~~ **corporation** shall certify this
 5 determination in writing to the fiscal body adopting the ordinance.
 6 Upon this certification the ordinance proposing to establish the
 7 economic development district is void.

8 (d) If the ~~department~~ **Indiana economic development corporation**
 9 preliminarily determines under subsection (b) that the proposed project
 10 qualifies or will qualify as a qualified industrial development project
 11 and that there is a reasonable likelihood that a loan from the industrial
 12 development fund will be approved under ~~IC 4-4-8-5~~, **IC 5-28-10-12**,
 13 the ~~department~~ **corporation** shall certify this determination to the fiscal
 14 body adopting the ordinance proposing to establish the economic
 15 development district. Upon receipt of this certification the fiscal body
 16 shall proceed to take final action with respect to the ordinance in
 17 accordance with section 3 of this chapter.

18 (e) A favorable preliminary certification under subsection (d) does
 19 not, however, represent or constitute a final determination by the
 20 ~~department~~ **Indiana economic development corporation** and state
 21 board of finance as to whether the unit will obtain a loan from the
 22 industrial development fund in accordance with ~~IC 4-4-8~~, **IC 5-28-10**.

23 SECTION 45. IC 6-1.1-39-3 IS AMENDED TO READ AS
 24 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 3. (a) The fiscal body
 25 shall publish notice of the adoption and substance of the ordinance in
 26 accordance with IC 5-3-1 after:

27 (1) the adoption of the ordinance under section 2 of this chapter;
 28 and

29 (2) the fiscal body receives preliminary certification from the
 30 ~~department of commerce~~ **Indiana economic development**
 31 **corporation** under section 2.5 of this chapter that the proposed
 32 industrial development project qualifies as a qualified industrial
 33 development project and that there is a reasonable likelihood that
 34 a loan from the industrial development fund will be approved
 35 under ~~IC 4-4-8-5~~, **IC 5-28-10-12**.

36 The notice must state the general boundaries of the area designated as
 37 an economic development district and must state that written
 38 remonstrances may be filed with the fiscal body until the time
 39 designated for the hearing. The notice must also name the place, date,
 40 and time when the fiscal body will receive and hear remonstrances and
 41 objections from persons interested in or affected by the proceedings
 42 pertaining to the proposed economic development district designation

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1 and will determine the public utility and benefit of the proposed
 2 economic development district designation. All persons affected in any
 3 manner by the hearing, including all taxpayers of the economic
 4 development district, shall be considered notified of the pendency of
 5 the hearing and of subsequent acts, hearings, adjournments, and orders
 6 of the fiscal body affecting the economic development district if the
 7 fiscal body gives the notice required by this section.

8 (b) A copy of the notice of the hearing shall be filed with the office
 9 of the unit's plan commission, board of zoning appeals, works board,
 10 park board, building commissioner, and any other departments, bodies,
 11 or officers of the unit having to do with unit planning, variances from
 12 zoning ordinances, land use, or the issuance of building permits.

13 (c) At the hearing, which may be recessed and reconvened from
 14 time to time, the fiscal body shall hear all persons interested in the
 15 proceedings and shall consider all written remonstrances and
 16 objections that have been filed. After considering the evidence
 17 presented, the fiscal body shall take final action determining the public
 18 utility and benefit of the proposed economic development district
 19 designation and confirming, modifying and confirming, or rescinding
 20 the ordinance. The final action taken by the fiscal body shall be
 21 recorded and is final and conclusive, except that an appeal may be
 22 taken in the manner prescribed by section 4 of this chapter.

23 SECTION 46. IC 6-1.1-39-5, AS AMENDED BY P.L.90-2002,
 24 SECTION 272, IS AMENDED TO READ AS FOLLOWS
 25 [EFFECTIVE JULY 1, 2005]: Sec. 5. (a) A declaratory ordinance
 26 adopted under section 2 of this chapter and confirmed under section 3
 27 of this chapter must include a provision with respect to the allocation
 28 and distribution of property taxes for the purposes and in the manner
 29 provided in this section. The allocation provision must apply to the
 30 entire economic development district. The allocation provisions must
 31 require that any property taxes subsequently levied by or for the benefit
 32 of any public body entitled to a distribution of property taxes on taxable
 33 property in the economic development district be allocated and
 34 distributed as follows:

35 (1) Except as otherwise provided in this section, the proceeds of
 36 the taxes attributable to the lesser of:

37 (A) the assessed value of the property for the assessment date
 38 with respect to which the allocation and distribution is made;
 39 or

40 (B) the base assessed value;

41 shall be allocated to and, when collected, paid into the funds of
 42 the respective taxing units. However, if the effective date of the

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1 allocation provision of a declaratory ordinance is after March 1,
 2 1985, and before January 1, 1986, and if an improvement to
 3 property was partially completed on March 1, 1985, the unit may
 4 provide in the declaratory ordinance that the taxes attributable to
 5 the assessed value of the property as finally determined for March
 6 1, 1984, shall be allocated to and, when collected, paid into the
 7 funds of the respective taxing units.

8 (2) Except as otherwise provided in this section, part or all of the
 9 property tax proceeds in excess of those described in subdivision
 10 (1), as specified in the declaratory ordinance, shall be allocated to
 11 the unit for the economic development district and, when
 12 collected, paid into a special fund established by the unit for that
 13 economic development district that may be used only to pay the
 14 principal of and interest on obligations owed by the unit under
 15 IC 4-4-8 **(before its repeal) or IC 5-28-10** for the financing of
 16 industrial development programs in, or serving, that economic
 17 development district. The amount not paid into the special fund
 18 shall be paid to the respective units in the manner prescribed by
 19 subdivision (1).

20 (3) When the money in the fund is sufficient to pay all
 21 outstanding principal of and interest (to the earliest date on which
 22 the obligations can be redeemed) on obligations owed by the unit
 23 under IC 4-4-8 **(before its repeal) or IC 5-28-10** for the
 24 financing of industrial development programs in, or serving, that
 25 economic development district, money in the special fund in
 26 excess of that amount shall be paid to the respective taxing units
 27 in the manner prescribed by subdivision (1).

28 (b) Property tax proceeds allocable to the economic development
 29 district under subsection (a)(2) must, subject to subsection (a)(3), be
 30 irrevocably pledged by the unit for payment as set forth in subsection
 31 (a)(2).

32 (c) For the purpose of allocating taxes levied by or for any taxing
 33 unit or units, the assessed value of taxable property in a territory in the
 34 economic development district that is annexed by any taxing unit after
 35 the effective date of the allocation provision of the declaratory
 36 ordinance is the lesser of:

37 (1) the assessed value of the property for the assessment date with
 38 respect to which the allocation and distribution is made; or

39 (2) the base assessed value.

40 (d) Notwithstanding any other law, each assessor shall, upon
 41 petition of the fiscal body, reassess the taxable property situated upon
 42 or in, or added to, the economic development district effective on the

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1 next assessment date after the petition.

2 (e) Notwithstanding any other law, the assessed value of all taxable
3 property in the economic development district, for purposes of tax
4 limitation, property tax replacement (except as provided in
5 IC 6-1.1-21-3(c), IC 6-1.1-21-4(a)(3), and IC 6-1.1-21-5(c)), and
6 formulation of the budget, tax rate, and tax levy for each political
7 subdivision in which the property is located is the lesser of:

8 (1) the assessed value of the property as valued without regard to
9 this section; or

10 (2) the base assessed value.

11 (f) The state board of accounts and department of local government
12 finance shall make the rules and prescribe the forms and procedures
13 that they consider expedient for the implementation of this chapter.
14 After each general reassessment under IC 6-1.1-4, the department of
15 local government finance shall adjust the base assessed value one (1)
16 time to neutralize any effect of the general reassessment on the
17 property tax proceeds allocated to the district under this section.
18 However, the adjustment may not include the effect of property tax
19 abatements under IC 6-1.1-12.1.

20 (g) As used in this section, "property taxes" means:

21 (1) taxes imposed under this article on real property; and

22 (2) any part of the taxes imposed under this article on depreciable
23 personal property that the unit has by ordinance allocated to the
24 economic development district. However, the ordinance may not
25 limit the allocation to taxes on depreciable personal property with
26 any particular useful life or lives.

27 If a unit had, by ordinance adopted before May 8, 1987, allocated to an
28 economic development district property taxes imposed under IC 6-1.1
29 on depreciable personal property that has a useful life in excess of eight
30 (8) years, the ordinance continues in effect until an ordinance is
31 adopted by the unit under subdivision (2).

32 (h) As used in this section, "base assessed value" means:

33 (1) the net assessed value of all the property as finally determined
34 for the assessment date immediately preceding the effective date
35 of the allocation provision of the declaratory resolution, as
36 adjusted under subsection (f); plus

37 (2) to the extent that it is not included in subdivision (1), the net
38 assessed value of property that is assessed as residential property
39 under the rules of the department of local government finance, as
40 finally determined for any assessment date after the effective date
41 of the allocation provision.

42 Subdivision (2) applies only to economic development districts

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established after June 30, 1997, and to additional areas established after June 30, 1997.

SECTION 47. IC 6-1.1-39-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 8. If no loans have been made to a unit under IC 4-4-8 **(before its repeal) or IC 5-28-10** for the financing of industrial development programs in an economic development district within two (2) years from the date of the ordinance confirming the establishment of that district, or if money in the special fund established by the unit for that district is sufficient to pay all principal of and interest on and the performance of all other obligations by a unit on all loans made under IC 4-4-8 **(before its repeal) or IC 5-28-10** for the financing of industrial development programs in, or serving, an economic development district, then the economic development district designation expires.

SECTION 48. IC 6-1.1-39-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 9. (a) The fiscal body of a unit may by ordinance authorize the issuance of obligations to the department of commerce under IC 4-4-8 **(before its repeal) or to the Indiana economic development corporation under IC 5-28-10** payable solely from taxes allocated under section 5 of this chapter. Any obligations issued and payable from taxes allocated under section 5 of this chapter are not general obligations of the unit that established the economic development district under this chapter.

(b) The economic development district created by a unit under this chapter is a special taxing district authorized by the general assembly to enable the unit to provide special benefits to taxpayers in the economic development district by providing local public improvements that are of public use and benefit.

(c) The ordinance of a unit authorizing the issuance of obligations must contain a finding of the fiscal body that the proposed industrial development program:

- (1) constitutes a local public improvement;
- (2) provides special benefits to property owners in the district;
- and
- (3) will be of public use and benefit.

(d) Proceeds of obligations issued under this section, **and IC 5-28-10, and IC 4-4-8 (before its repeal)** may be used to pay for the following:

- (1) The cost of local public improvements.
- (2) Interest on the obligations for the period of construction of the local public improvements plus one (1) year after completion of construction.

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(3) Reasonable debt service reserves.

(4) Costs of issuance of the obligations.

(5) Any other reasonable and necessary expenses related to issuance of the obligations.

(e) Notwithstanding any other law, IC 6-1.1-20 does not apply to obligations payable solely from tax proceeds allocated under section 5 of this chapter.

SECTION 49. IC 6-1.1-43-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 1. This chapter applies to the following economic development incentive programs:

(1) Grants and loans provided by the **Indiana economic development corporation under IC 5-28, the department of commerce tourism under ~~IC 4-4~~ IC 5-29, or the office of energy policy under IC 8-1.2.**

(2) Incentives provided in an economic revitalization area under IC 6-1.1-12.1.

(3) Incentives provided under IC 6-3.1-13.

(4) Incentives provided in an airport development zone under IC 8-22-3.5-14.

SECTION 50. IC 6-1.1-44-4, AS ADDED BY P.L.215-2003, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 4. As used in this chapter, a unit of materials, goods, or other tangible personal property is a "recycled component" if coal combustion products constitute at least fifteen percent (15%) by weight of the substances of which the unit is composed. Recycled components include:

(1) aggregates;

(2) fillers;

(3) cementitious materials; or

(4) any combination of aggregates, filler, or cementitious materials;

that are used in the manufacture of masonry construction products (including portland cement based mortar), normal and lightweight concrete, blocks, bricks, pavers, pipes, prestressed concrete products, filter media, and other products approved by the Center for Coal Technology Research established under ~~IC 4-4-30~~ **IC 8-1.2-3.**

SECTION 51. IC 6-3-3-10, AS AMENDED BY P.L.269-2003, SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 10. (a) As used in this section:

"Base period wages" means the following:

(1) In the case of a taxpayer other than a pass through entity, wages paid or payable by a taxpayer to ~~its~~ **the taxpayer's**

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employees during the year that ends on the last day of the month that immediately precedes the month in which an enterprise zone is established, to the extent that the wages would have been qualified wages if the enterprise zone had been in effect for that year. If the taxpayer did not engage in an active trade or business during that year in the area that is later designated as an enterprise zone, then the base period wages equal zero (0). If the taxpayer engaged in an active trade or business during only part of that year in an area that is later designated as an enterprise zone, then the department shall determine the amount of base period wages.

(2) In the case of a taxpayer that is a pass through entity, base period wages equal zero (0).

"Enterprise zone" means an enterprise zone created under ~~IC 4-4-6.1~~ **IC 5-28-20**.

"Enterprise zone adjusted gross income" means adjusted gross income of a taxpayer that is derived from sources within an enterprise zone. Sources of adjusted gross income shall be determined with respect to an enterprise zone, to the extent possible, in the same manner that sources of adjusted gross income are determined with respect to the state of Indiana under IC 6-3-2-2.

"Enterprise zone gross income" means gross income of a taxpayer that is derived from sources within an enterprise zone.

"Enterprise zone insurance premiums" means insurance premiums derived from sources within an enterprise zone.

"Monthly base period wages" means base period wages divided by twelve (12).

"Pass through entity" means a:

- (1) corporation that is exempt from the adjusted gross income tax under IC 6-3-2-2.8(2);
- (2) partnership;
- (3) trust;
- (4) limited liability company; or
- (5) limited liability partnership.

"Qualified employee" means an individual who is employed by a taxpayer and who:

- (1) has ~~his~~ **the individual's** principal place of residence in the enterprise zone in which ~~he~~ **the individual** is employed;
- (2) performs services for the taxpayer, ninety percent (90%) of which are directly related to the conduct of the taxpayer's trade or business that is located in an enterprise zone;
- (3) performs at least fifty percent (50%) of ~~his~~ **the individual's** services for the taxpayer during the taxable year in the enterprise

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1 zone; and

2 (4) in the case of an individual who is employed by a taxpayer
3 that is a pass through entity, was first employed by the taxpayer
4 after December 31, 1998.

5 "Qualified increased employment expenditures" means the
6 following:

7 (1) For a taxpayer's taxable year other than ~~his~~ **the taxpayer's**
8 taxable year in which the enterprise zone is established, the
9 amount by which qualified wages paid or payable by the taxpayer
10 during the taxable year to qualified employees exceeds the
11 taxpayer's base period wages.

12 (2) For the taxpayer's taxable year in which the enterprise zone is
13 established, the amount by which qualified wages paid or payable
14 by the taxpayer during all of the full calendar months in the
15 taxpayer's taxable year that succeed the date on which the
16 enterprise zone was established exceed the taxpayer's monthly
17 base period wages multiplied by that same number of full
18 calendar months.

19 "Qualified state tax liability" means a taxpayer's total income tax
20 liability incurred under:

21 (1) IC 6-3-1 through IC 6-3-7 (adjusted gross income tax) with
22 respect to enterprise zone adjusted gross income;

23 (2) IC 27-1-18-2 (insurance premiums tax) with respect to
24 enterprise zone insurance premiums; and

25 (3) IC 6-5.5 (the financial institutions tax);

26 as computed after the application of the credits that, under
27 IC 6-3.1-1-2, are to be applied before the credit provided by this
28 section.

29 "Qualified wages" means the wages paid or payable to qualified
30 employees during a taxable year.

31 "Taxpayer" includes a pass through entity.

32 (b) A taxpayer is entitled to a credit against the taxpayer's qualified
33 state tax liability for a taxable year in the amount of the lesser of:

34 (1) the product of ten percent (10%) multiplied by the qualified
35 increased employment expenditures of the taxpayer for the
36 taxable year; or

37 (2) one thousand five hundred dollars (\$1,500) multiplied by the
38 number of qualified employees employed by the taxpayer during
39 the taxable year.

40 (c) The amount of the credit provided by this section that a taxpayer
41 uses during a particular taxable year may not exceed the taxpayer's
42 qualified state tax liability for the taxable year. If the credit provided by

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1 this section exceeds the amount of that tax liability for the taxable year
 2 it is first claimed, then the excess may be carried back to preceding
 3 taxable years or carried over to succeeding taxable years and used as
 4 a credit against the taxpayer's qualified state tax liability for those
 5 taxable years. Each time that the credit is carried back to a preceding
 6 taxable year or carried over to a succeeding taxable year, the amount
 7 of the carryover is reduced by the amount used as a credit for that
 8 taxable year. Except as provided in subsection (e), the credit provided
 9 by this section may be carried forward and applied in the ten (10)
 10 taxable years that succeed the taxable year in which the credit accrues.
 11 The credit provided by this section may be carried back and applied in
 12 the three (3) taxable years that precede the taxable year in which the
 13 credit accrues.

14 (d) A credit earned by a taxpayer in a particular taxable year shall
 15 be applied against the taxpayer's qualified state tax liability for that
 16 taxable year before any credit carryover or carryback is applied against
 17 that liability under subsection (c).

18 (e) Notwithstanding subsection (c), if a credit under this section
 19 results from wages paid in a particular enterprise zone, and if that
 20 enterprise zone terminates in a taxable year that succeeds the last
 21 taxable year in which a taxpayer is entitled to use the credit carryover
 22 that results from those wages under subsection (c), then the taxpayer
 23 may use the credit carryover for any taxable year up to and including
 24 the taxable year in which the enterprise zone terminates.

25 (f) A taxpayer is not entitled to a refund of any unused credit.

26 (g) A taxpayer that:

- 27 (1) does not own, rent, or lease real property outside of an
- 28 enterprise zone that is an integral part of its trade or business; and
- 29 (2) is not owned or controlled directly or indirectly by a taxpayer
- 30 that owns, rents, or leases real property outside of an enterprise
- 31 zone;

32 is exempt from the allocation and apportionment provisions of this
 33 section.

34 (h) If a pass through entity is entitled to a credit under subsection (b)
 35 but does not have state tax liability against which the tax credit may be
 36 applied, an individual who is a shareholder, partner, beneficiary, or
 37 member of the pass through entity is entitled to a tax credit equal to:

- 38 (1) the tax credit determined for the pass through entity for the
- 39 taxable year; multiplied by
- 40 (2) the percentage of the pass through entity's distributive income
- 41 to which the shareholder, partner, beneficiary, or member is
- 42 entitled.

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The credit provided under this subsection is in addition to a tax credit to which a shareholder, partner, beneficiary, or member of a pass through entity is entitled. However, a pass through entity and an individual who is a shareholder, partner, beneficiary, or member of a pass through entity may not claim more than one (1) credit for the qualified expenditure.

SECTION 52. IC 6-3.1-7-1, AS AMENDED BY P.L.192-2002(ss), SECTION 97, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 1. As used in this chapter:

"Enterprise zone" means an enterprise zone created under ~~IC 4-4-6.1.~~ **IC 5-28-20.**

"Pass through entity" means a:

- (1) corporation that is exempt from the adjusted gross income tax under IC 6-3-2-2.8(2);
- (2) partnership;
- (3) trust;
- (4) limited liability company; or
- (5) limited liability partnership.

"Qualified loan" means a loan made to an entity that uses the loan proceeds for:

- (1) a purpose that is directly related to a business located in an enterprise zone;
- (2) an improvement that increases the assessed value of real property located in an enterprise zone; or
- (3) rehabilitation, repair, or improvement of a residence.

"State tax liability" means a taxpayer's total tax liability that is incurred under:

- (1) IC 6-3-1 through IC 6-3-7 (the adjusted gross income tax);
- (2) IC 27-1-18-2 (the insurance premiums tax); and
- (3) IC 6-5.5 (the financial institutions tax);

as computed after the application of the credits that, under IC 6-3.1-1-2, are to be applied before the credit provided by this chapter.

"Taxpayer" means any person, corporation, limited liability company, partnership, or other entity that has any state tax liability. The term includes a pass through entity.

SECTION 53. IC 6-3.1-7-2, AS AMENDED BY P.L.73-2000, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 2. (a) A taxpayer is entitled to a credit against the taxpayer's state tax liability for a taxable year if the taxpayer:

- (1) receives interest on a qualified loan in that taxable year;
- (2) pays the registration fee charged to zone businesses under

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~~IC 4-4-6.1-2~~; **IC 5-28-20-8**;

(3) provides the assistance to U.E.A.s required from zone businesses under ~~IC 4-4-6.1-2(b)~~; **IC 5-28-20-8(b)**; and

(4) complies with any requirements adopted by the enterprise zone board under ~~IC 4-4-6.1~~ **IC 5-28-20** for taxpayers claiming the credit under this chapter.

However, if a taxpayer is located outside of an enterprise zone, subdivision (4) does not require the taxpayer to reinvest its incentives under this section within the enterprise zone, except as provided in subdivisions (2) and (3).

(b) The amount of the credit to which a taxpayer is entitled under this section is five percent (5%) multiplied by the amount of interest received by the taxpayer during the taxable year from qualified loans.

(c) If a pass through entity is entitled to a credit under subsection (a) but does not have state tax liability against which the tax credit may be applied, an individual who is a shareholder, partner, beneficiary, or member of the pass through entity is entitled to a tax credit equal to:

(1) the tax credit determined for the pass through entity for the taxable year; multiplied by

(2) the percentage of the pass through entity's distributive income to which the shareholder, partner, beneficiary, or member is entitled.

The credit provided under this subsection is in addition to a tax credit to which a shareholder, partner, beneficiary, or member of a pass through entity is entitled. However, a pass through entity and an individual who is a shareholder, partner, beneficiary, or member of a pass through entity may not claim more than one (1) credit for the qualified expenditure.

SECTION 54. IC 6-3.1-9-1, AS AMENDED BY P.L.192-2002(ss), SECTION 99, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 1. As used in this chapter:

"Business firm" means any business entity authorized to do business in the state of Indiana that has state tax liability.

"Community services" means any type of counseling and advice, emergency assistance, medical care, recreational facilities, housing facilities, or economic development assistance to individuals, groups, or neighborhood organizations in an economically disadvantaged area.

"Crime prevention" means any activity which aids in the reduction of crime in an economically disadvantaged area.

"Economically disadvantaged area" means an enterprise zone, or any area in Indiana that is certified as an economically disadvantaged area by the ~~department of commerce~~ **Indiana economic development**

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corporation after consultation with the community services agency. The certification shall be made on the basis of current indices of social and economic conditions, which shall include but not be limited to the median per capita income of the area in relation to the median per capita income of the state or standard metropolitan statistical area in which the area is located.

"Education" means any type of scholastic instruction or scholarship assistance to an individual who resides in an economically disadvantaged area that enables ~~him~~ **the individual** to prepare ~~himself~~ for better life opportunities.

"Enterprise zone" means an enterprise zone created under ~~IC 4-4-6.1.~~ **IC 5-28-20.**

"Job training" means any type of instruction to an individual who resides in an economically disadvantaged area that enables ~~him~~ **the individual** to acquire vocational skills so that ~~he~~ **the individual** can become employable or be able to seek a higher grade of employment.

"Neighborhood assistance" means either:

- (1) furnishing financial assistance, labor, material, and technical advice to aid in the physical or economic improvement of any part or all of an economically disadvantaged area; or
- (2) furnishing technical advice to promote higher employment in any neighborhood in Indiana.

"Neighborhood organization" means any organization, including but not limited to a nonprofit development corporation:

- (1) performing community services in an economically disadvantaged area; and
- (2) holding a ruling:
 - (A) from the Internal Revenue Service of the United States Department of the Treasury that the organization is exempt from income taxation under the provisions of the Internal Revenue Code; and
 - (B) from the department of state revenue that the organization is exempt from income taxation under IC 6-2.5-5-21.

"Person" means any individual subject to Indiana gross or adjusted gross income tax.

"State fiscal year" means a twelve (12) month period beginning on July 1 and ending on June 30.

"State tax liability" means the taxpayer's total tax liability that is incurred under:

- (1) IC 6-3-1 through IC 6-3-7 (the adjusted gross income tax); and
- (2) IC 6-5.5 (the financial institutions tax);

as computed after the application of the credits that, under

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1 IC 6-3.1-1-2, are to be applied before the credit provided by this
2 chapter.

3 "Tax credit" means a deduction from any tax otherwise due and
4 payable under IC 6-3 or IC 6-5.5.

5 SECTION 55. IC 6-3.1-9-2 IS AMENDED TO READ AS
6 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 2. (a) A business firm
7 or a person who contributes to a neighborhood organization or who
8 engages in the activities of providing neighborhood assistance, job
9 training or education for individuals not employed by the business firm
10 or person, or for community services or crime prevention in an
11 economically disadvantaged area shall receive a tax credit as provided
12 in section 3 of this chapter if the director of the ~~department of~~
13 ~~commerce~~ **office of economic development within the Indiana**
14 **economic development corporation** approves the proposal of the
15 business firm or person, setting forth the program to be conducted, the
16 area selected, the estimated amount to be invested in the program, and
17 the plans for implementing the program.

18 (b) The director of the ~~department of commerce~~, **office of economic**
19 **development within the Indiana economic development**
20 **corporation**, after consultation with the community services agency
21 and the commissioner of revenue, may adopt rules for the approval or
22 disapproval of these proposals.

23 SECTION 56. IC 6-3.1-9-4 IS AMENDED TO READ AS
24 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 4. (a) Any business
25 firm or person which desires to claim a tax credit as provided in this
26 chapter shall file with the department, in the form that the department
27 may prescribe, an application stating the amount of the contribution or
28 investment which it proposes to make which would qualify for a tax
29 credit, and the amount sought to be claimed as a credit. The application
30 shall include a certificate evidencing approval of the contribution or
31 program by the director of the ~~department of commerce~~, **office of**
32 **economic development within the Indiana economic development**
33 **corporation**.

34 (b) The director of the ~~department of commerce~~ **office of economic**
35 **development within the Indiana economic development**
36 **corporation** shall give priority in issuing certificates to applicants
37 whose contributions or programs directly benefit enterprise zones.

38 (c) The department shall promptly notify an applicant whether, or
39 the extent to which, the tax credit is allowable in the state fiscal year in
40 which the application is filed, as provided in section 5 of this chapter.
41 If the credit is allowable in that state fiscal year, the applicant shall
42 within thirty (30) days after receipt of the notice file with the

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department of revenue a statement, in the form and accompanied by the proof of payment as the department may prescribe, setting forth that the amount to be claimed as a credit under this chapter has been paid to an organization for an approved program or purpose, or permanently set aside in a special account to be used solely for an approved program or purpose.

(d) The department may disallow any credit claimed under this chapter for which the statement or proof of payment is not filed within the thirty (30) day period.

SECTION 57. IC 6-3.1-10-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 1. As used in this chapter, "enterprise zone" means an enterprise zone created under ~~IC 4-4-6.1~~ **IC 5-28-20**.

SECTION 58. IC 6-3.1-10-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 2. As used in this chapter, "qualified investment" means the purchase of an ownership interest in a business located in an enterprise zone if the purchase is approved by the ~~department of commerce~~ **office of economic development** under section 8 of this chapter.

SECTION 59. IC 6-3.1-10-8, AS AMENDED BY P.L.289-2001, SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 8. (a) To be entitled to a credit, a taxpayer must request the ~~department of commerce~~ **office of economic development within the Indiana economic development corporation** to determine:

- (1) whether a purchase of an ownership interest in a business located in an enterprise zone is a qualified investment; and
- (2) the percentage credit to be allowed.

The request must be made before a purchase is made.

(b) The ~~department of commerce~~ **office of economic development** shall find that a purchase is a qualified investment if:

- (1) the business is viable;
- (2) the business has not been disqualified from enterprise zone incentives or benefits under ~~IC 4-4-6.1~~ **IC 5-28-20**;
- (3) the taxpayer has a legitimate purpose for purchase of the ownership interest;
- (4) the purchase would not be made unless a credit is allowed under this chapter; and
- (5) the purchase is critical to the commencement, enhancement, or expansion of business operations in the zone and will not merely transfer ownership, and the purchase proceeds will be used only in business operations in the enterprise zone.

The ~~department~~ **office of economic development** may delay making

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a finding under this subsection if, at the time the request is filed under subsection (a), an urban enterprise zone association has made a recommendation that the business be disqualified from enterprise zone incentives or benefits under ~~IC 4-4-6.1~~ **IC 5-28-20** and the enterprise zone board has not acted on that request. The delay by the ~~department~~ **office of economic development** may not last for more than sixty (60) days.

(c) If the ~~department of commerce~~ **office of economic development** finds that a purchase is a qualified investment, the department shall certify the percentage credit to be allowed under this chapter based upon the following:

(1) A percentage credit of ten percent (10%) may be allowed based upon the need of the business for equity financing, as demonstrated by the inability of the business to obtain debt financing.

(2) A percentage credit of two percent (2%) may be allowed for business operations in the retail, professional, or warehouse/distribution codes of the SIC Manual.

(3) A percentage credit of five percent (5%) may be allowed for business operations in the manufacturing codes of the SIC Manual.

(4) A percentage credit of five percent (5%) may be allowed for high technology business operations (as defined in ~~IC 4-4-6.1-1.3~~ **IC 5-28-20-2**).

(5) A percentage credit may be allowed for jobs created during the twelve (12) month period following the purchase of an ownership interest in the zone business, as determined under the following table:

JOBS CREATED	PERCENTAGE
Less than 11 jobs	1%
11 to 25 jobs	2%
26 to 40 jobs	3%
41 to 75 jobs	4%
More than 75 jobs	5%

(6) A percentage credit of five percent (5%) may be allowed if fifty percent (50%) or more of the jobs created in the twelve (12) month period following the purchase of an ownership interest in the zone business will be reserved for zone residents.

(7) A percentage credit may be allowed for investments made in real or depreciable personal property, as determined under the following table:

AMOUNT OF INVESTMENT	PERCENTAGE
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1	Less than \$25,001	1%
2	\$25,001 to \$50,000	2%
3	\$50,001 to \$100,000	3%
4	\$100,001 to \$200,000	4%
5	More than \$200,000	5%

6 The total percentage credit may not exceed thirty percent (30%).

7 (d) If all or a part of a purchaser's intent is to transfer ownership, the
8 tax credit shall be applied only to that part of the investment that relates
9 directly to the enhancement or expansion of business operations at the
10 zone location.

11 SECTION 60. IC 6-3.1-10-9 IS AMENDED TO READ AS
12 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 9. To receive the credit
13 provided by this chapter, a taxpayer must claim the credit on the
14 taxpayer's annual state tax return or returns in the manner prescribed
15 by the department of state revenue. The taxpayer shall submit to the
16 department of state revenue the certification of the percentage credit by
17 the ~~department of commerce~~ **office of economic development within**
18 **the Indiana economic development corporation** and all information
19 that the department of state revenue determines is necessary for the
20 calculation of the credit provided by this chapter and for the
21 determination of whether an investment cost is a qualified investment
22 cost.

23 SECTION 61. IC 6-3.1-11-2 IS AMENDED TO READ AS
24 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 2. As used in this
25 chapter, "board" means the enterprise zone board created under
26 ~~IC 4-4-6-1~~ **IC 5-28-20**.

27 SECTION 62. IC 6-3.1-11.5-2 IS AMENDED TO READ AS
28 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 2. As used in this
29 chapter, "board" refers to the enterprise zone board created under
30 ~~IC 4-4-6-1~~ **IC 5-28-20**.

31 SECTION 63. IC 6-3.1-11.5-21 IS AMENDED TO READ AS
32 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 21. The board shall
33 consider the following factors in evaluating applications filed under
34 this chapter:

- 35 (1) The level of distress in the surrounding community caused by
36 the loss of jobs at the vacant military base facility.
- 37 (2) The desirability of the intended use of the vacant military base
38 facility under the plan proposed for the development and use of
39 the vacant military base facility and the likelihood that the
40 implementation of the plan will improve the economic and
41 employment conditions in the surrounding community.
- 42 (3) Evidence of support for the designation by residents,

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businesses, and private organizations in the surrounding community.

(4) Evidence of a commitment by private or governmental entities to provide financial assistance in implementing the plan for the development and use of the vacant military base facility, including the application of IC 36-7-12, IC 36-7-13, IC 36-7-14, IC 36-7-14.5, IC 36-7-15.1, or IC 36-7-30 to assist in the financing of improvements or redevelopment activities benefiting the vacant military base facility.

(5) Evidence of efforts to implement the proposed plan without additional financial assistance from the state.

(6) Whether the proposed military base recovery site is within an economic revitalization area designated under IC 6-1.1-12.1.

(7) Whether action has been taken by the legislative body of the municipality or county having jurisdiction over the proposed military base recovery site to establish an enterprise zone under ~~IC 4-4-6.1-3(g)~~: **IC 5-28-20-14.**

SECTION 64. IC 6-3.1-13-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 3. As used in this chapter, "director" means the director of the ~~department of commerce~~: **office of economic development within the Indiana economic development corporation.**

SECTION 65. IC 6-3.1-13-12, AS AMENDED BY P.L.224-2003, SECTION 192, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 12. (a) The economic development for a growing economy board is established. The board consists of the following seven (7) members:

(1) The ~~director~~ **chairperson of the board of the Indiana economic development corporation** or, upon the ~~director's~~ **chairperson's** designation, the ~~executive director of the department of commerce~~:

(2) The director of the budget agency.

(3) The commissioner of the department of state revenue.

(4) Four (4) members appointed by the governor, not more than two (2) of whom may be members of the same political party.

(b) The director shall serve as chairperson of the board. Four (4) members of the board constitute a quorum to transact and vote on the business of the board.

(c) The ~~department of commerce~~ **office of economic development within the Indiana economic development corporation** shall assist the board in carrying out the board's duties under this chapter and IC 6-3.1-26.

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1 SECTION 66. IC 6-3.1-13-22 IS AMENDED TO READ AS
 2 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 22. If the director
 3 determines that a taxpayer who has received a credit under this chapter
 4 is not complying with the requirements of the tax credit agreement or
 5 all of the provisions of this chapter the director shall, after giving the
 6 taxpayer an opportunity to explain the noncompliance, notify the
 7 ~~department of commerce~~ **office of economic development within the**
 8 **Indiana economic development corporation** of the noncompliance
 9 and request an assessment. The director shall state the amount of the
 10 assessment, which may not exceed the sum of any previously allowed
 11 credits under this chapter. After receiving such a notice, the ~~department~~
 12 ~~of commerce~~ **office of economic development** shall make an
 13 assessment against the taxpayer under IC 6-8.1 for the amount stated
 14 in the director's notice.

15 SECTION 67. IC 6-3.1-13-24, AS AMENDED BY P.L.178-2002,
 16 SECTION 50, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 17 JULY 1, 2005]: Sec. 24. On a biennial basis, the board shall provide for
 18 an evaluation of the tax credit program, giving first priority to using the
 19 Indiana economic development council established under ~~IC 4-3-14-4.~~
 20 **IC 5-28-33.** The evaluation shall include an assessment of the
 21 effectiveness of the program in creating new jobs and retaining existing
 22 jobs in Indiana and of the revenue impact of the program, and may
 23 include a review of the practices and experiences of other states with
 24 similar programs. The director shall submit a report on the evaluation
 25 to the governor, the president pro tempore of the senate, and the
 26 speaker of the house of representatives after June 30 and before
 27 November 1 in each odd-numbered year. **The report provided to the**
 28 **president pro tempore of the senate and the speaker of the house**
 29 **of representatives must be in an electronic format under IC 5-14-6.**

30 SECTION 68. IC 6-3.1-13-25 IS AMENDED TO READ AS
 31 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 25. The ~~department of~~
 32 ~~commerce~~ **Indiana economic development corporation** may adopt
 33 ~~rules under IC 4-22-2~~ **policies and guidelines** necessary to implement
 34 this chapter. The ~~rules~~ **policies and guidelines** may provide for
 35 recipients of tax credits under this chapter to be charged fees to cover
 36 administrative costs of the tax credit program. Fees collected shall be
 37 deposited in the economic development for a growing economy fund.

38 SECTION 69. IC 6-3.1-13-26, AS AMENDED BY P.L.224-2003,
 39 SECTION 193, IS AMENDED TO READ AS FOLLOWS
 40 [EFFECTIVE JULY 1, 2005]: Sec. 26. (a) The economic development
 41 for a growing economy fund is established to be used exclusively for
 42 the purposes of this chapter and IC 6-3.1-26, including paying for the

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costs of administering this chapter and IC 6-3.1-26. The fund shall be administered by the ~~department of commerce~~. **Indiana economic development corporation.**

(b) The fund consists of collected fees, appropriations from the general assembly, and gifts and grants to the fund.

(c) The treasurer of state shall invest the money in the fund not currently needed to meet the obligations of the fund in the same manner as other public funds may be invested. Interest that accrues from these investments shall be deposited in the fund.

(d) The money in the fund at the end of a state fiscal year does not revert to the state general fund but remains in the fund to be used exclusively for the purposes of this chapter. Expenditures from the fund are subject to appropriation by the general assembly and approval by the budget agency.

SECTION 70. IC 6-3.1-13-27, AS AMENDED BY P.L.170-2002, SECTION 24, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 27. (a) Subject to all other requirements of this chapter, the board may award a tax credit under this chapter to a nonprofit organization that is a high growth company with high skilled jobs (as defined in IC 4-4-10.9-9.5) if:

(1) the nonprofit organization:

(A) is a taxpayer (as defined in section 10 of this chapter); and

(B) meets all requirements of this chapter; and

(2) all of the following conditions are satisfied:

(A) The wages of at least seventy-five percent (75%) of the organization's total workforce in Indiana must be equal to at least two hundred percent (200%) of the average county wage, as determined by the ~~department of commerce~~, **office of economic development within the Indiana economic development corporation**, in the county where the project for which the credit is granted will be located.

(B) The organization must make an investment of at least fifty million dollars (\$50,000,000) in capital assets.

(C) The affected political subdivision must provide substantial financial assistance to the project.

(D) The incremental payroll attributable to the project must be at least ten million dollars (\$10,000,000) annually.

(E) The organization agrees to pay the ad valorem property taxes on the organization's real and personal property that would otherwise be exempt under IC 6-1.1-10.

(F) The organization does not receive any deductions from the assessed value of the organization's real and personal property

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under IC 6-1.1-12 or IC 6-1.1-12.1.

(G) The organization pays all of the organization's ad valorem property taxes to the taxing units in the taxing district in which the project is located.

(H) The project for which the credit is granted must be located in a county having a population of more than one hundred eighty thousand (180,000) but less than one hundred eighty-two thousand seven hundred ninety (182,790).

(b) Notwithstanding section 6(a) of this chapter, the board may award credits to an organization under subsection (a) if:

(1) the organization met all other conditions of this chapter at the time of the applicant's location or expansion decision;

(2) the applicant is in receipt of a letter from the department of commerce stating an intent to pursue a credit agreement; and

(3) the letter described in subdivision (2) is issued by the department of commerce not later than January 1, 2000.

SECTION 71. IC 6-3.1-13.5-1, AS ADDED BY P.L.291-2001, SECTION 177, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 1. As used in this chapter, ~~"department"~~ **"corporation"** refers to the ~~department of commerce~~. **Indiana economic development corporation.**

SECTION 72. IC 6-3.1-13.5-3, AS AMENDED BY P.L.170-2002, SECTION 25, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 3. As used in this chapter, "qualified investment" means the amount of the taxpayer's expenditures for:

(1) the purchase of new manufacturing or production equipment;

(2) the purchase of new computers and related equipment;

(3) costs associated with the modernization of existing manufacturing facilities;

(4) onsite infrastructure improvements;

(5) the construction of new manufacturing facilities;

(6) costs associated with retooling existing machinery and equipment; and

(7) costs associated with the construction of special purpose buildings and foundations for use in the computer, software, biological sciences, or telecommunications industry;

that are certified by the ~~department~~ **office of economic development within the Indiana economic development corporation** under section 10 of this chapter as being eligible for the credit under this chapter, if the equipment, machinery, facilities improvements, facilities, buildings, or foundations are installed or used for a project having an estimated total cost of at least seventy-five million dollars

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1 (\$75,000,000) and in a county having a population of more than
 2 forty-three thousand (43,000) but less than forty-five thousand
 3 (45,000).

4 SECTION 73. IC 6-3.1-13.5-7, AS ADDED BY P.L.291-2001,
 5 SECTION 177, IS AMENDED TO READ AS FOLLOWS
 6 [EFFECTIVE JULY 1, 2005]: Sec. 7. A taxpayer may claim the credit
 7 under this chapter only if:

8 (1) the average wage paid by the taxpayer to ~~its~~ **the taxpayer's**
 9 Indiana employees within the county in which the qualifying
 10 investment is made exceeds the average wage paid in that county;
 11 or

12 (2) the taxpayer certifies to the ~~department~~ **office of economic**
 13 **development within the Indiana economic development**
 14 **corporation** and provides proof as determined by the ~~department~~
 15 **office** that, as a result of the qualifying investment, the average
 16 wage paid by the taxpayer to ~~its~~ **the taxpayer's** Indiana
 17 employees within the county in which the qualifying investment
 18 is made will exceed the average wage paid in that county.

19 SECTION 74. IC 6-3.1-13.5-10, AS ADDED BY P.L.291-2001,
 20 SECTION 177, IS AMENDED TO READ AS FOLLOWS
 21 [EFFECTIVE JULY 1, 2005]: Sec. 10. (a) To be entitled to a credit
 22 under this chapter, a taxpayer must request the ~~department of~~
 23 **commerce office of economic development within the Indiana**
 24 **economic development corporation** to determine whether an
 25 expenditure is a qualified investment.

26 (b) To make a request under subsection (a), a taxpayer must file
 27 with the ~~department~~ **office of economic development** a notice of intent
 28 to claim the credit under this chapter. A taxpayer must file the notice
 29 with the ~~department~~ **office** not later than February 15 of the calendar
 30 year following the calendar year in which the expenditure is made.

31 (c) After receiving a notice of intent to claim the credit, the
 32 ~~department~~ **office of economic development** shall review the notice
 33 and determine whether the expenditure is a qualified investment and
 34 whether the taxpayer is entitled to claim the credit. The ~~department~~
 35 **office** shall, before April 1 of the calendar year in which the notice is
 36 received, send to the taxpayer and to the department of state revenue
 37 a letter:

38 (1) certifying that the taxpayer is entitled to claim the credit under
 39 this chapter for the expenditure; or
 40 (2) stating the reason why the taxpayer is not entitled to claim the
 41 credit.

42 SECTION 75. IC 6-3.1-13.5-12, AS ADDED BY P.L.291-2001,

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SECTION 177, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 12. (a) If a taxpayer receives a credit under this chapter, the equipment, machinery, facilities improvements, facilities, buildings, or foundations for which the credit was granted must be fully installed or completed not more than five (5) years after the ~~department~~ **office of economic development within the Indiana economic development corporation** issues a letter under section 10 of this chapter certifying that the taxpayer is entitled to claim the credit.

(b) If a taxpayer receives a credit under this chapter and does not make the qualified investment (or a portion of the qualified investment) for which the credit was granted within the time required by subsection (a), the ~~department~~ **office of economic development** may require the taxpayer to repay the following:

(1) The additional amount of state tax liability that would have been paid by the taxpayer if the credit had not been granted for the qualified investment (or portion of the qualified investment) that was not made by the taxpayer within the time required by subsection (a).

(2) Interest at a rate established under IC 6-8.1-10-1(c) on the additional amount of state tax liability referred to in subdivision (1).

SECTION 76. IC 6-3.1-17-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 1. As used in this chapter, "qualified investment" means costs incurred to build or refurbish a riverboat in Indiana that are approved by the ~~department of commerce~~ **office of economic development within the Indiana economic development corporation** under section 7 of this chapter.

SECTION 77. IC 6-3.1-17-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 7. (a) To be entitled to a credit under this chapter, a taxpayer must request the ~~department of commerce~~ **office of economic development within the Indiana economic development corporation** to determine whether costs incurred to build or refurbish a riverboat are qualified investments.

(b) The request under subsection (a) must be made before the costs are incurred.

(c) The ~~department of commerce~~ **office of economic development** shall find that costs are a qualified investment to the extent that the costs result:

- (1) from work performed in Indiana to build or refurbish a riverboat; and
- (2) in taxable income to any other Indiana taxpayer;

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as determined under the standards adopted by the ~~department of commerce~~. **Indiana economic development corporation.**

SECTION 78. IC 6-3.1-17-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 8. To receive the credit provided by this chapter, a taxpayer must claim the credit on the taxpayer's state tax return or returns in the manner prescribed by the department. The taxpayer shall submit to the department the certification of credit by the ~~department of commerce~~, **Indiana economic development corporation**, proof of payment of the certified qualified investment, and all information that the department determines is necessary for the calculation of the credit provided by this chapter and for the determination of whether an investment cost is a qualified investment cost.

SECTION 79. IC 6-3.1-18-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 1. As used in this chapter, "community development corporation" has the meaning set forth in ~~IC 4-4-28-2~~. **IC 5-28-24-2.**

SECTION 80. IC 6-3.1-18-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 2. As used in this chapter, "fund" refers to an individual development account fund established by a community development corporation under ~~IC 4-4-28-13~~. **IC 5-28-24-13.**

SECTION 81. IC 6-3.1-18-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 3. As used in this chapter, "individual development account" has the meaning set forth in ~~IC 4-4-28-5~~. **IC 5-28-24-5.**

SECTION 82. IC 6-3.1-19-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 2. As used in this chapter, "qualified investment" means the amount of a taxpayer's expenditures that is:

- (1) for redevelopment or rehabilitation of property located within a community revitalization enhancement district designated under IC 36-7-13;
- (2) made under a plan adopted by an advisory commission on industrial development under IC 36-7-13; and
- (3) approved by the ~~department of commerce~~ **office of economic development within the Indiana economic development corporation** before the expenditure is made.

SECTION 83. IC 6-3.1-22.2-9, AS ADDED BY P.L.291-2001, SECTION 149, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 9. To be entitled to a credit under this chapter, a taxpayer must request the ~~department of commerce~~

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1 **office of economic development within the Indiana economic**
 2 **development corporation** to determine if the taxpayer is entitled to the
 3 credit under this chapter. A taxpayer must make the request to the
 4 **department of commerce office of economic development** in the
 5 manner and on forms prescribed by the ~~department of commerce~~
 6 **office.**

7 SECTION 84. IC 6-3.1-24-2, AS ADDED BY P.L.192-2002(SS),
 8 SECTION 119, IS AMENDED TO READ AS FOLLOWS
 9 [EFFECTIVE JULY 1, 2005]: Sec. 2. As used in this chapter,
 10 "qualified Indiana business" means an independently owned and
 11 operated business that is certified as a qualified Indiana business by the
 12 ~~department of commerce office of economic development within the~~
 13 **Indiana economic development corporation** under section 7 of this
 14 chapter.

15 SECTION 85. IC 6-3.1-24-6, AS AMENDED BY P.L.214-2003,
 16 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 17 JULY 1, 2005]: Sec. 6. A taxpayer that:

- 18 (1) provides qualified investment capital to a qualified Indiana
 19 business; and
- 20 (2) fulfills the requirements of the ~~department of commerce office~~
 21 **of economic development within the Indiana economic**
 22 **development corporation** under section 12.5 of this chapter;
 23 is entitled to a credit against the person's state tax liability in a taxable
 24 year equal to the amount specified in section 10 of this chapter.

25 SECTION 86. IC 6-3.1-24-7, AS AMENDED BY P.L.214-2003,
 26 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 27 JULY 1, 2005]: Sec. 7. (a) The ~~department of commerce office of~~
 28 **economic development within the Indiana economic development**
 29 **corporation** shall certify that a business is a qualified Indiana business
 30 if the ~~department office~~ determines that the business:

- 31 (1) has its headquarters in Indiana;
- 32 (2) is primarily focused on commercialization of research and
 33 development, technology transfers, or the application of new
 34 technology, or is determined by the ~~department of commerce~~
 35 **office of economic development** to have significant potential to:
 36 (A) bring substantial capital into Indiana;
 37 (B) create jobs;
 38 (C) diversify the business base of Indiana; or
 39 (D) significantly promote the purposes of this chapter in any
 40 other way;
- 41 (3) has had average annual revenues of less than ten million
 42 dollars (\$10,000,000) in the two (2) years preceding the year in

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1 which the business received qualified investment capital from a
2 taxpayer claiming a credit under this chapter;

3 (4) has:

4 (A) at least fifty percent (50%) of its employees residing in
5 Indiana; or

6 (B) at least seventy-five percent (75%) of its assets located in
7 Indiana; and

8 (5) is not engaged in a business involving:

9 (A) real estate;

10 (B) real estate development;

11 (C) insurance;

12 (D) professional services provided by an accountant, a lawyer,
13 or a physician;

14 (E) retail sales, except when the primary purpose of the
15 business is the development or support of electronic commerce
16 using the Internet; or

17 (F) oil and gas exploration.

18 (b) A business shall apply to be certified as a qualified Indiana
19 business on a form prescribed by the ~~department of commerce~~ **office**
20 **of economic development**.

21 (c) If a business is certified as a qualified Indiana business under
22 this section, the ~~department of commerce~~ **office of economic**
23 **development** shall provide a copy of the certification to the investors
24 in the qualified Indiana business for inclusion in tax filings.

25 (d) The ~~department of commerce~~ **office of economic development**
26 may impose an application fee of not more than two hundred dollars
27 (\$200).

28 SECTION 87. IC 6-3.1-24-9, AS AMENDED BY P.L.214-2003,
29 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
30 JULY 1, 2005]: Sec. 9. (a) The total amount of tax credits that may be
31 allowed under this chapter in a particular calendar year for qualified
32 investment capital provided during that calendar year may not exceed
33 ten million dollars (\$10,000,000). The ~~department of commerce~~ **office**
34 **of economic development within the Indiana economic**
35 **development corporation** may not certify a proposed investment plan
36 under section 12.5 of this chapter if the proposed investment would
37 result in the total amount of the tax credits certified for the calendar
38 year exceeding ten million dollars (\$10,000,000). An amount of an
39 unused credit carried over by a taxpayer from a previous calendar year
40 may not be considered in determining the amount of proposed
41 investments that the ~~department of commerce~~ **office of economic**
42 **development within the Indiana economic development**

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1 **corporation** may certify under this chapter.

2 (b) Notwithstanding the other provisions of this chapter, a taxpayer
3 is not entitled to a credit for providing qualified investment capital to
4 a qualified Indiana business after December 31, 2008. However, this
5 subsection may not be construed to prevent a taxpayer from carrying
6 over to a taxable year beginning after December 31, 2008, an unused
7 tax credit attributable to an investment occurring before January 1,
8 2009.

9 SECTION 88. IC 6-3.1-24-12.5, AS ADDED BY P.L.214-2003,
10 SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
11 JULY 1, 2005]: Sec. 12.5. (a) A taxpayer wishing to obtain a credit
12 under this chapter must apply to the ~~department of commerce~~ **office of**
13 **economic development within the Indiana economic development**
14 **corporation** for a certification that the taxpayer's proposed investment
15 plan would qualify for a credit under this chapter.

16 (b) The application required under subsection (a) must include:

- 17 (1) the name and address of the taxpayer;
- 18 (2) the name and address of each proposed recipient of the
- 19 taxpayer's proposed investment;
- 20 (3) the amount of the proposed investment;
- 21 (4) a copy of the certification issued under section 7 of this
- 22 chapter that the proposed recipient is a qualified Indiana business;
- 23 and
- 24 (5) any other information required by the ~~department of~~
25 ~~commerce:~~ **office of economic development.**

26 (c) If the ~~department of commerce~~ **office of economic development**
27 determines that:

- 28 (1) the proposed investment would qualify the taxpayer for a
- 29 credit under this chapter; and
- 30 (2) the amount of the proposed investment would not result in the
- 31 total amount of tax credits certified for the calendar year
- 32 exceeding ten million dollars (\$10,000,000);

33 the ~~department of commerce~~ **office** shall certify the taxpayer's proposed
34 investment plan.

35 (d) To receive a credit under this chapter, the taxpayer must provide
36 qualified investment capital to a qualified Indiana business according
37 to the taxpayer's certified investment plan within two (2) years after the
38 date on which the ~~department of commerce~~ **office of economic**
39 **development** certifies the investment plan.

40 (e) Upon making the investment required under subsection (d), the
41 taxpayer shall provide proof of the investment to the ~~department of~~
42 ~~commerce:~~ **office of economic development.**

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(f) Upon receiving proof of a taxpayer's investment under subsection (e), the ~~department of commerce~~ **office of economic development** shall issue the taxpayer a certificate indicating that the taxpayer has fulfilled the requirements of the ~~department of commerce~~ **office** and that the taxpayer is entitled to a credit under this chapter.

(g) A taxpayer forfeits the right to a tax credit attributable to an investment certified under subsection (c) if the taxpayer fails to make the proposed investment within the period required under subsection (d).

SECTION 89. IC 6-3.1-24-13, AS AMENDED BY P.L.214-2003, SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 13. To receive the credit provided by this chapter, a taxpayer must claim the credit on the taxpayer's state tax return or returns in the manner prescribed by the department. The taxpayer shall submit to the department, along with the taxpayer's state tax return or returns, a copy of the certificate issued by the ~~department of commerce~~ **office of economic development within the Indiana economic development corporation** to the taxpayer under section 12.5(f) of this chapter and all information that the department determines is necessary for the calculation of the credit provided by this chapter.

SECTION 90. IC 6-3.1-25.2-3, AS ADDED BY P.L.215-2003, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 3. As used in this chapter, a unit of materials, goods, or other tangible personal property is a "recycled component" if coal combustion products constitute at least fifteen percent (15%) by weight of the substances of which the unit is composed. Recycled components include:

- (1) aggregates;
- (2) fillers;
- (3) cementitious materials; or
- (4) any combination of aggregates, filler, or cementitious materials;

that are used in the manufacture of masonry construction products (including portland cement based mortar), normal and lightweight concrete, blocks, bricks, pavers, pipes, prestressed concrete products, filter media, and other products approved by the Center for Coal Technology Research established under ~~IC 4-4-30~~ **IC 8-1.2-3**.

SECTION 91. IC 6-3.1-25.2-9, AS ADDED BY P.L.215-2003, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 9. To obtain a credit under this chapter, the manufacturer must file with the department information that the department determines is necessary for the calculation of the credit

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provided under this chapter. The department shall keep a list that includes:

- (1) the name of each manufacturer that receives a credit under this chapter and IC 6-1.1-44; and
- (2) the amount of each credit for the manufacturer in the taxable year;

and provide the list annually to the Center for Coal Technology Research established under ~~IC 4-4-30~~ **IC 8-1.2-3**.

SECTION 92. IC 6-3.1-26-23, AS ADDED BY P.L.224-2003, SECTION 197, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 23. If the director determines that a taxpayer who has received a credit under this chapter is not complying with the requirements of the tax credit agreement or all the provisions of this chapter, the director shall, after giving the taxpayer an opportunity to explain the noncompliance, notify the ~~department of commerce~~ **office of economic development within the Indiana economic development corporation** and the department of state revenue of the noncompliance and request an assessment. The department of state revenue, with the assistance of the director, shall state the amount of the assessment, which may not exceed the sum of any previously allowed credits under this chapter. After receiving the notice, the department of state revenue shall make an assessment against the taxpayer under IC 6-8.1.

SECTION 93. IC 6-3.1-26-25, AS ADDED BY P.L.224-2003, SECTION 197, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 25. On a biennial basis, the board shall provide for an evaluation of the tax credit program, giving first priority to using the Indiana economic development council established under ~~IC 4-3-14~~ **IC 5-28-33**. The evaluation must include an assessment of the effectiveness of the program in creating new jobs and increasing wages in Indiana and of the revenue impact of the program and may include a review of the practices and experiences of other states with similar programs. The director shall submit a report on the evaluation to the governor, the president pro tempore of the senate, and the speaker of the house of representatives after June 30 and before November 1 in each odd-numbered year.

SECTION 94. IC 6-3.1-28-1, AS ADDED BY P.L.224-2003, SECTION 200, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 1. As used in this chapter, "board" refers to the Indiana recycling and energy development board created by ~~IC 4-23-5.5-2~~ **IC 8-1.2-4-2**.

SECTION 95. IC 6-3.1-28-10, AS ADDED BY P.L.224-2003,

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SECTION 200, IS AMENDED TO READ AS FOLLOWS
[EFFECTIVE JULY 1, 2005]: Sec. 10. To receive the credit provided
by this chapter, a taxpayer must do the following:

- (1) Claim the credit on the taxpayer's state tax return or returns in the manner prescribed by the department.
- (2) Provide a copy of the board's certificate finding that the facility is a qualified facility under ~~IC 4-23-5.5-17~~ **IC 8-1.2-4-15**.
- (3) Submit to the department proof of all information that the department determines is necessary for the calculation of the credit provided by this chapter.

SECTION 96. IC 8-1-8.8-13, AS ADDED BY P.L.159-2002, SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 13. An eligible business shall file a monthly report with the ~~department office of commerce~~ **energy policy** stating the following information:

- (1) The amount of Illinois Basin coal, if any, purchased during the previous month for use in a new energy generating facility.
- (2) The amount of any fuel produced by a coal gasification facility and purchased by the eligible business during the previous month.
- (3) Any other information the ~~department office of commerce~~ **energy policy** may reasonably require.

SECTION 97. IC 8-1.2 IS ADDED TO THE INDIANA CODE AS A NEW ARTICLE TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]:

ARTICLE 1.2. OFFICE OF ENERGY POLICY

Chapter 1. Definitions

Sec. 1. As used in this article, "director" refers to the director of the office of energy policy appointed under IC 8-1.2-2-2.

Sec. 2. As used in this article, "office" refers to the office of energy policy established by IC 8-1.2-2-1.

Chapter 2. Office of Energy Policy

Sec. 1. The office of energy policy is established within the office of the lieutenant governor.

Sec. 2. The lieutenant governor shall appoint the director of the office, who serves at the pleasure of the lieutenant governor. The director is the executive and chief administrative officer of the office. The director is entitled to compensation in an amount to be fixed by the budget agency with the approval of the lieutenant governor.

Sec. 3. The director may appoint or employ deputy directors, assistants, and employees as necessary in the performance of the office's functions. Salaries of personnel shall be fixed by the

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1 director, with the approval of the lieutenant governor and the
2 budget agency.

3 Sec. 4. (a) The office shall do the following:

4 (1) Perform the following energy related functions:

5 (A) Assist in the development and promotion of alternative
6 energy resources, including Indiana coal, oil shale,
7 hydropower, solar, wind, geothermal, and biomass
8 resources.

9 (B) Encourage the conservation and efficient use of energy,
10 including energy use in commercial, industrial, residential,
11 governmental, agricultural, transportation, recreational,
12 and educational sectors.

13 (C) Assist in energy emergency preparedness.

14 (D) Establish:

- 15 (i) specific goals for increased energy efficiency in the
16 operations of state government and for the use of
17 alternative fuels in vehicles owned by the state; and
18 (ii) guidelines for achieving the goals established under
19 item (i).

20 (E) Establish procedures for state agencies to use in
21 reporting to the office on energy issues.

22 (F) Carry out studies, research projects, and other
23 activities required to:

- 24 (i) assess the nature and extent of energy resources
25 required to meet the needs of the state, including coal
26 and other fossil fuels, alcohol fuels produced from
27 agricultural and forest products and resources,
28 renewable energy, and other energy resources;
29 (ii) promote cooperation among government, utilities,
30 industry, institutions of higher education, consumers,
31 and other parties interested in energy and recycling
32 market development issues; and
33 (iii) promote the dissemination of information
34 concerning energy and recycling market development
35 issues.

36 (2) Implement federal programs delegated to the state to
37 carry out the purposes of this article.

38 (3) Develop and promote markets for the following recyclable
39 items:

- 40 (A) Aluminum containers.
41 (B) Corrugated paper.
42 (C) Glass containers.

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- (D) Magazines.
- (E) Steel containers.
- (F) Newspapers.
- (G) Office waste paper.
- (H) Plastic containers.
- (I) Foam polystyrene packaging.
- (J) Containers for carbonated or malt beverages that are primarily made of a combination of steel and aluminum.
- (4) Produce an annual recycled products guide and at least one (1) time each year distribute the guide to the following:
 - (A) State agencies.
 - (B) The judicial department of state government.
 - (C) The legislative department of state government.
 - (D) State educational institutions (as defined in IC 20-12-0.5-1).
 - (E) Political subdivisions (as defined in IC 36-1-2-13).
 - (F) Bodies corporate and politic created by statute.

A recycled products guide distributed under this subdivision must include a description of supplies and other products that contain recycled material and information concerning the availability of the supplies and other products.

- (b) The office may plan, direct, and conduct research activities.

Sec. 5. (a) The office shall submit a report to the general assembly (in electronic format under IC 5-14-6) before October 1 of each year concerning the availability of and location of markets for recycled products in Indiana.

- (b) The report submitted under subsection (a) must include the following:

- (1) A priority listing of recyclable materials to be targeted for market development. The listing must be based on an examination of the need and opportunities for the marketing of the following:
 - (A) Paper.
 - (B) Glass.
 - (C) Aluminum containers.
 - (D) Steel containers.
 - (E) Bi-metal containers.
 - (F) Glass containers.
 - (G) Plastic containers.
 - (H) Landscape waste.
 - (I) Construction materials.
 - (J) Waste oil.

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(K) Waste tires.

(L) Coal combustion wastes.

(M) Other materials.

(2) A presentation of a market development strategy that:

(A) considers the specific material marketing needs of Indiana; and

(B) makes recommendations for legislative action.

(3) An analysis that examines the cost and effectiveness of future market development options.

Sec. 6. The office may use money in the fund to provide grants and loans under IC 13-20-13-9 from the waste tire management fund.

Sec. 7. The director may adopt rules under IC 4-22-2 to carry out this chapter.

Sec. 8. The director may establish entities to advise the office on issues determined by the director.

Chapter 3. Center for Coal Technology Research

Sec. 1. As used in this chapter, "center" refers to the center for coal technology research established by section 4 of this chapter.

Sec. 2. As used in this chapter, "fund" refers to the coal technology research fund established by section 7 of this chapter.

Sec. 3. As used in this chapter, "Indiana coal" means coal from a mine whose coal deposits are located in the ground wholly or partially in Indiana regardless of the location of the mine's tipple.

Sec. 4. The center for coal technology research is established to perform the following duties:

(1) Develop technologies that can use Indiana coal in an environmentally and economically sound manner.

(2) Investigate the reuse of clean coal technology byproducts, including fly ash.

(3) Generate innovative research in the field of coal use.

(4) Develop new, efficient, and economical sorbents for effective control of emissions.

(5) Investigate ways to increase coal combustion efficiency.

(6) Develop materials that withstand higher combustion temperatures.

(7) Carry out other matters concerning coal technology research, including public education, as determined by the center.

(8) Administer the Indiana coal research grant fund under IC 8-1.2-4-14.

Sec. 5. In carrying out its duties under this chapter, the center

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shall be located at Purdue University in West Lafayette and shall cooperate with and may use the resources of:

- (1) the Indiana University Geological Survey and other state educational institutions;
- (2) a state or federal department or agency;
- (3) a political subdivision; and
- (4) interest groups representing business, environment, industry, science, and technology.

Sec. 6. To carry out the center's duties described in section 4 of this chapter, the director or the director's designee, acting on behalf of the center, may:

- (1) organize the center in the manner necessary to implement this chapter;
- (2) execute contractual agreements, including contracts for:
 - (A) the operation of the center;
 - (B) the performance of duties described in section 4 of this chapter; and
 - (C) other services necessary to carry out this chapter;
- (3) receive money from any source for purposes of this chapter;
- (4) expend money for an activity appropriate to the purposes of this chapter;
- (5) execute agreements and cooperate with:
 - (A) Purdue University and other state educational institutions;
 - (B) a state or federal department or agency;
 - (C) a political subdivision; and
 - (D) interest groups representing business, the environment, industry, science, and technology; and
- (6) subject to the approval of the budget agency, employ personnel as necessary for the efficient administration of this chapter.

Sec. 7. (a) The coal technology research fund is established to provide money for the center for coal technology research and for the director to carry out the duties specified under this chapter. The budget agency shall administer the fund.

(b) The fund consists of the following:

- (1) Money appropriated by the general assembly.
- (2) Gifts, grants, and bequests.

(c) The treasurer of state shall invest the money in the fund not currently needed to meet the obligations of the fund in the same manner as the treasurer may invest other public funds.

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(d) Money in the fund at the end of a state fiscal year does not revert to the state general fund.

Chapter 4. Indiana Recycling and Energy Development Board

Sec. 1. As used in this chapter, "board" refers to the Indiana recycling and energy development board established by this chapter.

Sec. 2. (a) The Indiana recycling and energy development board is established and constitutes a public instrumentality of the state. The exercise by the board of the powers conferred by this chapter is an essential governmental function.

(b) The board consists of thirteen (13) members, one (1) of whom shall be the lieutenant governor or the lieutenant governor's designee and twelve (12) of whom shall be appointed by the governor for four (4) year terms. The governor's appointees shall be chosen from among representatives of:

- (1) the coal industry;**
- (2) other regulated and nonregulated energy related industries;**
- (3) Indiana universities and colleges with expertise in:**
 - (A) recycling research and development; or**
 - (B) energy research and development;**
- (4) agriculture;**
- (5) labor;**
- (6) industrial and commercial consumers;**
- (7) environmental groups; and**
- (8) private citizens with a special interest in:**
 - (A) recycling; or**
 - (B) energy resources development.**

Not more than six (6) appointed members may be members of the same political party.

(c) A vacancy in the office of an appointed member, other than by expiration, shall be filled in the same manner as the original appointment for the remainder of the term of that retiring member. Appointed members may be removed by the governor for cause.

(d) The board has eight (8) ex officio advisory members as follows:

- (1) The governor.**
- (2) The director.**
- (3) The director of the department of natural resources.**
- (4) The commissioner of the department of environmental management.**

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(5) Two (2) members from the house of representatives of opposite political parties appointed by the speaker of the house of representatives for two (2) year terms.

(6) Two (2) members from the senate of opposite political parties appointed by the president pro tempore of the senate for two (2) year terms.

(e) The office shall serve as the staff of the board.

Sec. 3. (a) The governor shall appoint one (1) of the appointed members of the board as chairperson. Seven (7) members of the board shall constitute a quorum. The affirmative vote of a majority of the membership of the board shall be necessary for action taken by the board. A vacancy in the membership of the board does not impair the right of the quorum to act.

(b) The members of the board shall be reimbursed for their actual expenses incurred in the performance of their duties. The appointed members may also receive a per diem allowance as determined by the budget agency for attendance of board meetings and activities. Reimbursement for expenses shall be as provided by law.

Sec. 4. The director shall be the chief administrative officer for the board and shall direct and supervise the administrative affairs and technical activities of the board in accordance with rules, regulations, and policies established by the board. The director may appoint employees as the board requires and agents or consultants as are necessary to implement this chapter. The director shall prepare an annual administrative budget for review by the budget agency and the budget committee.

Sec. 5. A member of the board must disclose to the board any interest in a project the board may be considering for action. The board shall determine whether that member shall be allowed to participate in activities related to that project.

Sec. 6. (a) The board shall do the following:

(1) Adopt procedures for the regulation of its affairs and the conduct of its business.

(2) Meet at the offices of the office on call of the director, at least once each calendar quarter. The meetings shall be held after ten (10) days written notification, shall be open to the public, and shall have official minutes recorded for public scrutiny.

(3) Report annually to the legislative council (in electronic format under IC 5-14-6) the projects in which it has participated and is currently participating, with a complete

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list of expenditures for those projects.

(4) Annually prepare an administrative budget for review by the budget agency and the budget committee.

(5) Keep proper records of accounts and make an annual report of its condition to the state board of accounts.

(b) The board may request that the office conduct assessments of the opportunities and constraints presented by all sources of energy. The board shall encourage the balanced use of all sources of energy with primary emphasis on:

(1) the use of Indiana's high sulphur coal; and

(2) the use of Indiana's agricultural and forest resources and products for the production of alcohol fuel.

The board shall seek to avoid possible undesirable consequences of total reliance on a single source of energy.

(c) The board shall consider projects involving the creation of the following:

(1) Markets for products made from recycled materials.

(2) New products made from recycled materials.

(d) The board may promote, fund, and encourage programs facilitating the development and effective use of all sources of energy in Indiana.

Sec. 7. The board, on approval by the governor and the budget agency, may make the following expenditures:

(1) Matching grants to federal, state, and local governmental agencies for research and development of energy resources projects and recycling market development projects in Indiana.

(2) Matching grants to individuals, corporations, limited liability companies, partnerships, educational institutions, and other private sector groups for energy resources and recycling market research and development.

(3) Direct grants, loans, or loan guarantees to those individuals and organizations specified in subdivision (1) or (2) of this section.

(4) Contractual services for energy resources and recycling market research and development programs.

(5) Purchase or lease land for energy resources and recycling market research and development projects.

(6) Other projects and expenses consistent with this chapter.

Sec. 8. The board may not exercise the power of eminent domain.

Sec. 9. The board may:

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(1) on behalf of the state, receive and accept grants, gifts, and contributions from public agencies, including the federal government, and from private agencies and private sources, including the Indiana business modernization and technology corporation, to research and develop energy resources within Indiana, and may administer such, including contracting with other public and private organizations, to carry out the purposes for which the grants, gifts, and contributions were made;

(2) establish application forms and procedures for programs consistent with this chapter;

(3) accept applications from private and public sources for funding of programs consistent with this chapter;

(4) provide funding for studies, research projects, and other activities required to assess the nature and extent of recycling markets in Indiana and the nature and extent of energy resources to meet the needs of the state, including but not limited to coal and other fossil fuels, alcohol fuels produced from agricultural and forest products and resources, renewable resources, and other energy resources;

(5) deposit funds not currently needed to meet the obligations of the board with the treasurer of state to the credit of the board, or invest in obligations as provided by IC 5-13-10.5; and

(6) participate in or sponsor programs, conferences, or seminars aimed at assisting the state in promoting recycling market development and the effective use of all sources of energy in Indiana.

Sec. 10. (a) The energy development fund is established as a dedicated fund to be administered by the board. Money in the fund shall be expended by the board exclusively to carry out this chapter, including the payment of administrative costs.

(b) Money received by the board for deposit in the energy development fund shall be deposited in the fund.

(c) Money remaining in the fund at the end of a state fiscal year does not revert to the state general fund. However, if the fund is abolished, money in the fund shall revert to the state general fund.

(d) Money accruing to the fund is appropriated continuously for the purposes specified in this chapter.

Sec. 11. The board may establish and administer a revolving loan program to make low interest loans to projects designed to

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1 promote the development and efficient use of energy resources or
2 to promote recycling market development. The interest rates for
3 the loans shall be fixed by the board.

4 **Sec. 12. (a) The Indiana recycling promotion and assistance**
5 **fund is established. The purpose of the fund is to promote and**
6 **assist recycling throughout Indiana by focusing economic**
7 **development efforts on businesses and projects involving recycling.**
8 **The fund shall be administered by the board.**

9 **(b) Sources of money for the fund consist of the following:**

- 10 **(1) Appropriations from the general assembly.**
- 11 **(2) Repayment proceeds of loans made from the fund.**
- 12 **(3) Gifts and donations.**
- 13 **(4) Money from the solid waste management fund.**

14 **(c) Money remaining in the fund at the end of a state fiscal year**
15 **does not revert to the state general fund. However, if the fund is**
16 **abolished, money in the fund reverts to the state general fund.**

17 **(d) The board may use money in the fund to make loans to**
18 **assist:**

- 19 **(1) persons in establishing new recycling businesses;**
- 20 **(2) in the expansion of existing recycling businesses; and**
- 21 **(3) manufacturers in retrofitting equipment necessary to**
22 **reuse or recycle secondary materials.**

23 **(e) The board shall establish loan:**

- 24 **(1) amounts;**
- 25 **(2) terms; and**
- 26 **(3) interest rates.**

27 **(f) The board may use money in the fund to make grants for**
28 **research and development projects involving recycling. The board**
29 **shall establish amounts for grants.**

30 **(g) A person, business, or manufacturer that wants a grant or**
31 **loan from the fund must file an application with the board.**

32 **(h) The board shall establish criteria for awarding grants and**
33 **loans under this section.**

34 **Sec. 13. (a) The Indiana energy efficiency loan fund is**
35 **established to assist Indiana industries and governing bodies (as**
36 **defined in IC 36-1-12.5-1.5) in undertaking energy efficiency**
37 **projects. The fund shall be administered by the board.**

38 **(b) Sources of money for the fund consist of the following:**

- 39 **(1) Appropriations from the general assembly.**
- 40 **(2) Repayment proceeds, including interest, of loans made**
41 **from the fund.**
- 42 **(3) Donations, gifts, and money received from other sources,**

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including transfers from other funds or accounts.

(c) Money remaining in the fund at the end of a state fiscal year does not revert to the state general fund. However, if the fund is abolished, money in the fund reverts to the state general fund.

(d) The treasurer of state shall invest the money in the fund not currently needed to meet the obligations of the fund in the same manner as other public funds may be invested. Interest that accrues from these investments shall be deposited in the fund.

(e) The board shall establish:

(1) amounts, terms, and interest rates for loans under this section; and

(2) criteria for awarding loans under this section.

(f) A person, business, governing body, or manufacturer that wants a loan from the fund must file an application in the manner prescribed by the board.

Sec. 14. (a) As used in this section, "center" refers to the center for coal technology research established by IC 8-1.2-3-4.

(b) The Indiana coal research grant fund is established to provide grants for research and other projects designed to develop and expand markets for Indiana coal. The fund shall be administered by the center.

(c) Sources of money for the fund consist of the following:

(1) Appropriations from the general assembly.

(2) Donations, gifts, and money received from other sources, including transfers from other funds or accounts.

(d) Money remaining in the fund at the end of a state fiscal year does not revert to the state general fund. However, if the fund is abolished, money in the fund reverts to the state general fund.

(e) The treasurer of state shall invest the money in the fund not currently needed to meet the obligations of the fund in the same manner as other public funds may be invested. Interest that accrues from the investments shall be deposited in the fund.

(f) The center shall establish:

(1) amounts for grants under this section; and

(2) criteria for awarding grants under this section.

(g) A person, business, or manufacturer that wants a grant from the fund must file an application in the manner prescribed by the center.

(h) The center shall appoint a panel of at least eight (8) members to review and make recommendations to the center about each application filed under this section. To be a member of the panel, an individual must be a scientist, a professional engineer registered

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1 under IC 25-31-1, or another professional who is familiar with coal
2 combustion, coal properties, coal byproducts, and other coal uses.

3 (i) The department shall pursue available private and public
4 sources of money for the fund.

5 Sec. 15. (a) As used in this section, "facility" has the meaning set
6 forth in IC 6-3.1-28-3.

7 (b) A person that wishes to claim the tax credit under
8 IC 6-3.1-28 must submit the business plan for the facility to the
9 board.

10 (c) If the board finds that the facility will be economically
11 viable, the board shall issue a certificate to the person stating that
12 the facility is a qualified facility for purposes of IC 6-3.1-28.

13 SECTION 98. IC 8-3-1-21.1 IS AMENDED TO READ AS
14 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 21.1. (a) Upon
15 receiving notice of intent to abandon railroad rights-of-way from any
16 railroad company, the department shall, upon receipt, notify:

17 (1) the county executives, county surveyors, and cities and towns
18 of the counties affected;

19 (2) the department of ~~commerce~~; **tourism**;

20 **(3) the Indiana economic development corporation; and**

21 ~~(3) (4)~~ (4) the department of natural resources;
22 of the notice.

23 (b) Within one (1) year of a final decision of the Interstate
24 Commerce Commission permitting an abandonment of a railroad
25 right-of-way, the railroad shall remove any crossing control device,
26 railroad insignia, and rails on that portion of the right-of-way that
27 serves as a public highway and reconstruct that part of the highway so
28 that it conforms to the standards of the contiguous roadway. The
29 Indiana department of transportation or the county, city, or town
30 department of highways having jurisdiction over the highway may
31 restore the crossing if the unit:

32 (1) adopts construction specifications for the project; and

33 (2) enters into an agreement with the railroad concerning the
34 project.

35 The cost of removing any crossing control device, railroad insignia,
36 rails, or ties under this subsection must be paid by the railroad. The
37 cost of reconstructing the highway surface on the right-of-way must be
38 paid by the Indiana department of transportation or the county, city, or
39 town department of highways having jurisdiction over the crossing.

40 (c) If a railroad fails to comply with subsection (b), the Indiana
41 department of transportation or the county, city, or town department of
42 highways having jurisdiction over the crossing may proceed with the

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removal and reconstruction work. The cost of the removal and reconstruction shall be documented by the agency performing the work and charged to the railroad. Work by the agency may not proceed until at least sixty (60) days after the railroad is notified in writing of the agency's intention to undertake the work.

(d) This section does not apply to an abandoned railroad right-of-way on which service is to be reinstated or continued.

(e) As used in this section, "crossing control device" means any traffic control device installed by the railroad and described in the National Railroad Association's manual, Train Operations, Control and Signals Committee, Railroad-Highway Grade-Crossing Protection, Bulletin No. 7, as an appropriate traffic control device.

(f) Costs not paid by a railroad under subsection (b) may be added to the railroad's property tax statement of current and delinquent taxes and special assessments under IC 6-1.1-22-8.

(g) Whenever the Indiana department of transportation notifies the department of natural resources that a railroad intends to abandon a railroad right-of-way under this section, the department of natural resources shall make a study of the feasibility of converting the right-of-way for recreational purposes. The study must be completed within ninety (90) days after receiving the notice from the Indiana department of transportation. If the department of natural resources finds that recreational use is feasible, the department of natural resources shall urge the appropriate state and local authorities to acquire the right-of-way for recreational purposes.

SECTION 99. IC 8-4.5-2-2, AS AMENDED BY P.L.158-1999, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 2. (a) The board consists of the following members:

- (1) The commissioner or the commissioner's designee.
- (2) The director or the director's designee.
- (3) An individual representing agriculture appointed by the governor.
- (4) An individual representing the railroad industry appointed by the governor.
- (5) An individual representing persons interested in the preservation of railroad corridors for recreational and other uses appointed by the governor.
- (6) An individual representing local government appointed by the governor.
- (7) An individual representing the utility industry appointed by the governor.

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(8) Two (2) individuals appointed by the governor, one (1) of whom must be a property owner.

(9) The ~~director chairperson~~ of the ~~department of commerce board of the Indiana economic development corporation~~ or the ~~director's chairperson's~~ designee.

(b) In appointing members of the board, the governor shall appoint members so that not more than five (5) members of the board belong to the same political party.

SECTION 100. IC 8-21-9-12 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 12. (a) The department ~~shall have~~ **has** jurisdiction only over two (2) major new continental or intercontinental airport facilities designed and constructed to serve a ~~portion~~ **part** of Indiana or adjacent states.

(b) The department may designate the location and character of all airport facilities which the department may hold, own or over which it is authorized to act and to regulate all matters related to the location and character of the airport facilities.

(c) The department may designate the location and establish, limit and control points of ingress to and egress from any airport property.

(d) The department may lease to others for development or operation ~~such portions the parts~~ of any airport or airport facility on ~~such~~ terms and conditions as the department considers necessary.

(e) The department may make directly, or through hiring of expert consultants, investigations and surveys of whatever nature, including, but not limited to, studies of business conditions, freight rates, airport services, physical surveys of the conditions of structures, and the necessity for additional airports or for additional airport facilities for the development and improvement of commerce and for the more expeditious handling of ~~such~~ commerce, and to make ~~such~~ studies, surveys and estimates as are necessary for the execution of its powers under this chapter.

(f) The department may make and enter into all contracts, undertakings, and agreements necessary or incidental to the performance of its duties and the execution of its powers under this chapter. When the cost of any such contract for construction, or for the purchase of equipment, materials or supplies, involves an expenditure of more than five thousand dollars (\$5,000), the department shall make a written contract with the lowest and best bidder after advertisement for not less than two (2) consecutive weeks in a newspaper of general circulation in Marion County, Indiana, and in such other publications as the department shall determine. Such notice shall state the general character of the materials to be furnished, the place where plans and

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specifications therefor may be examined, and the time and place of receiving bids. Each bid shall contain the full name of every person or company interested in it and shall be accompanied by a sufficient bond or certified check on a solvent bank that if the bid is accepted a contract will be entered into and the performance of its proposal secured. The department may reject any and all bids. A bond with good and sufficient surety, as shall be approved by the department, shall be required of all contractors in an amount equal to at least fifty percent (50%) of the contract price conditioned upon the faithful performance of the contract.

(g) The department may fix and revise ~~from time to time~~ **periodically** and charge and collect equitable rates, fees, rentals or other charges for the use of any airport facility or airport facilities under its control, which rates, fees, rentals or other charges shall be in amounts reasonably related to the cost of providing and maintaining the particular airport facility or airport facilities for which these rates, fees, rentals, and other charges are established.

(h) The department may ~~subject to IC 8-9.5-6-1,~~ make application for, receive, and accept from any federal agency, grants for or in aid of the planning, construction, operating or financing of any airport facility, and to receive and accept contributions from any source of either money, property, labor or other things of value, to be held, used and applied for the purposes for which made, in each case on such terms and conditions as the department considers necessary or desirable. ~~also, to~~ **The department may** enter into and carry out contracts and agreements in connection with ~~any of the foregoing: this subsection.~~

(i) The department may appear in its own behalf before boards, commissions, departments or other agencies of the federal government or of any state or international conference and before committees of the Congress of the United States and the general assembly of Indiana in all matters relating to the designs, establishment, construction, extension, operations, improvements, repair or maintenance of any airport or airport facility operated and maintained by the department under this chapter, and to appear before any federal or state agencies in matters relating to air rates, airport services and charges, differentials, discriminations, labor relations, trade practices, and all other matters affecting the physical development of and the business interest of the department and those it serves.

(j) The department may contract for the services of consulting engineers, architects, attorneys, accountants, construction and financial experts, and such other individuals as are necessary in its judgment.

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1 However, the employment of an attorney shall be subject to such
2 approval of the attorney general as may be required by law.

3 (k) The department may do all things necessary and proper to
4 promote and increase commerce within its territorial jurisdiction,
5 including cooperation with civic, technical, professional and business
6 organizations and associations, **the department of tourism**, and the
7 Indiana ~~department of commerce~~ **economic development**
8 **corporation**.

9 (l) The department may establish and maintain a traffic bureau for
10 the purpose of advising the department as to the airport's competitive
11 economic position with other airports.

12 (m) The department may contract for the use of any license, process
13 or device, whether patented or not, which the department finds is
14 necessary for the operation of any airport facility, and may permit the
15 use thereof by any lessee on such terms and conditions as the
16 department may determine. The cost of such license, process or device
17 may be included as part of the cost of the airport facility.

18 (n) The department may ~~subject to IC 8-9.5-5-8(6)~~, issue airport
19 revenue bonds and airport revenue funding bonds.

20 (o) The department may do all acts and things necessary or proper
21 to carry out the powers expressly granted in this chapter.

22 SECTION 101. IC 8-22-3.5-14, AS AMENDED BY
23 P.L.192-2002(ss), SECTION 148, IS AMENDED TO READ AS
24 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 14. (a) This section
25 applies only to an airport development zone that is in a:

26 (1) city described in section 1(2) of this chapter; or

27 (2) county described in section 1(3) or 1(4) of this chapter.

28 (b) Notwithstanding any other law, a business or an employee of a
29 business that is located in an airport development zone is entitled to the
30 benefits provided by the following statutes, as if the business were
31 located in an enterprise zone:

32 (1) IC 6-1.1-20.8.

33 (2) IC 6-3-2-8.

34 (3) IC 6-3-3-10.

35 (4) IC 6-3.1-7.

36 (5) IC 6-3.1-9.

37 (6) IC 6-3.1-10-6.

38 (c) Before June 1 of each year, a business described in subsection
39 (b) must pay a fee equal to the amount of the fee that is required for
40 enterprise zone businesses under ~~IC 4-4-6.1-2(a)(4)(A)~~.
41 **IC 5-28-20-8(a)(4)(A)**. However, notwithstanding
42 ~~IC 4-4-6.1-2(a)(4)(A)~~, **IC 5-28-20-8(a)(4)(A)**, the fee shall be paid into

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the debt service fund established under section 9(e)(2) of this chapter. If the commission determines that a business has failed to pay the fee required by this subsection, the business is not eligible for any of the benefits described in subsection (b).

(d) A business that receives any of the benefits described in subsection (b) must use all of those benefits, except for the amount of the fee required by subsection (c), for its property or employees in the airport development zone and to assist the commission. If the commission determines that a business has failed to use its benefits in the manner required by this subsection, the business is not eligible for any of the benefits described in subsection (b).

(e) If the commission determines that a business has failed to pay the fee required by subsection (c) or has failed to use benefits in the manner required by subsection (d), the commission shall provide written notice of the determination to the department of state revenue, the department of local government finance, and the county auditor.

SECTION 102. IC 8-22-3.5-16, AS AMENDED BY P.L.90-2002, SECTION 335, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 16. (a) This section applies only to an airport development zone that is located in a county described in section 1(5) of this chapter.

(b) Except as described in this section, and notwithstanding any other law, a business or an employee of a business that is located in an airport development zone is entitled to the benefits of the enterprise zone inventory property tax credit under IC 6-1.1-20.8.

(c) The benefits under this section are available only to:

- (1) a business new to the airport development zone; or
- (2) an existing business in the airport development zone that expands its operation.

(d) To be eligible for the benefits under this section, the business must submit a proposal to the commission for approval. The commission may adopt standards and procedures for the proposal. In addition to other items the commission determines must be included, the proposal must state the percentage of permanent jobs which the business will create in the airport development zone.

(e) A business must obtain the approval of:

- (1) the city fiscal body if the business is located in a city; or
 - (2) the county council if the business is not located within a city;
- before the business is entitled to any benefits under this section. A city or county fiscal body may approve by any method benefits under this section for either an individual business or a group of businesses. A city or county fiscal body may adopt standards and procedures to

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1 implement this subsection.

2 (f) If the business receives the approval of:

3 (1) the commission under subsection (d); and

4 (2) the appropriate council under subsection (e);

5 then before June 1 of each year, a business described in subsection (b)
6 must pay a fee equal to the amount of the fee that is required for
7 enterprise zone businesses under ~~IC 4-4-6.1-2(4)(A)~~.
8 **IC 5-28-20-8(a)(4)(A)**. If the commission determines that a business
9 has failed to pay the fee required by this subsection, the business is not
10 eligible for any of the benefits described in subsection (b).

11 (g) A business that receives any of the benefits described in
12 subsection (b) must use all of those benefits, except for the amount of
13 the fee required by subsection (d), for its property or employees in the
14 airport development zone and to assist the commission. If the
15 commission determines that a business has failed to use its benefits in
16 the manner required by this subsection, the business is not eligible for
17 any of the benefits described in subsection (b).

18 (h) If the commission determines that a business has failed to pay
19 the fee required by subsection (f) or has failed to use benefits in the
20 manner required by subsection (g), the commission shall provide
21 written notice of the determination to the department of state revenue,
22 the department of local government finance, and the county auditor.

23 SECTION 103. IC 8-23-12-4 IS AMENDED TO READ AS
24 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 4. The department shall
25 annually adopt from its long-range program and publish a biennial
26 work program of construction to be accomplished within the following
27 two (2) fiscal years. This biennial work program must consist of a list
28 of projects listed in order of urgency. In case of emergencies and
29 disasters resulting in the necessity for completely unforeseen demands
30 for construction, or if unforeseen difficulties arise in the acquisition of
31 rights-of-way, materials, labor, or equipment necessary for proposed
32 construction or the availability of funds, a deviation from the adopted
33 biennial work program is permitted. The relative urgency of proposed
34 construction shall be determined by a consideration of the physical
35 condition, the safety and service characteristics of the highways under
36 consideration, and the economic needs of the area served by the
37 highways. In arriving at and making a determination, the department
38 shall utilize all studies, data, and information made available to it from
39 any appropriate source including economic data, relative to affected
40 areas, from the ~~department of commerce~~. **Indiana economic**
41 **development corporation**.

42 SECTION 104. IC 9-21-4-5 IS AMENDED TO READ AS

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1 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 5. (a) Except as
 2 provided in subsection (b), a person may not place or maintain upon a
 3 highway a traffic sign or signal bearing commercial advertising. A
 4 public authority may not permit the placement of a traffic sign or signal
 5 that bears a commercial message.

6 (b) Under criteria to be jointly established by the Indiana
 7 department of transportation and the department of ~~commerce~~,
 8 **tourism**, the Indiana department of transportation may authorize the
 9 posting of any of the following:

10 (1) Limited tourist attraction signage.

11 (2) Business signs on specific information panels on the interstate
 12 system of highways and other freeways.

13 All costs of manufacturing, installation, and maintenance to the Indiana
 14 department of transportation for a business sign posted under this
 15 subsection shall be paid by the business.

16 (c) A person may not place, maintain, or display a flashing, a
 17 rotating, or an alternating light, beacon, or other lighted device that:

18 (1) is visible from a highway; and

19 (2) may be mistaken for or confused with a traffic control device
 20 or for an authorized warning device on an emergency vehicle.

21 (d) This section does not prohibit the erection, upon private property
 22 adjacent to highways, of signs giving useful directional information and
 23 of a type that cannot be mistaken for official signs.

24 SECTION 105. IC 12-13-12-3, AS AMENDED BY P.L.215-2001,
 25 SECTION 43, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 26 JULY 1, 2005]: Sec. 3. The commission consists of nineteen (19)
 27 members appointed as follows:

28 (1) Two (2) members of the senate, who are not members of the
 29 same political party, appointed by the president pro tempore of
 30 the senate with the advice of the minority leader of the senate.

31 (2) Two (2) members of the house of representatives, who are not
 32 members of the same political party, appointed by the speaker of
 33 the house of representatives with the advice of the minority leader
 34 of the house of representatives.

35 (3) The director of the division of family and children or the
 36 director's designee.

37 (4) The director of the division of mental health and addiction or
 38 the director's designee.

39 (5) The commissioner of the state department of health or the
 40 commissioner's designee.

41 (6) The superintendent of public instruction or the
 42 superintendent's designee.

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- 1 (7) The commissioner of the department of correction or the
- 2 commissioner's designee.
- 3 (8) The director of the civil rights commission or the director's
- 4 designee.
- 5 (9) The commissioner of the department of administration or the
- 6 commissioner's designee.
- 7 (10) The ~~director~~ **chairperson** of the ~~department board~~ of
- 8 ~~commerce~~ **the Indiana economic development corporation** or
- 9 the ~~director's~~ **chairperson's** designee.
- 10 (11) A minority business person, appointed by the governor.
- 11 (12) Three (3) persons appointed by the president pro tempore of
- 12 the senate who are not members of the general assembly. Not
- 13 more than two (2) of the persons appointed under this subdivision
- 14 may be members of the same political party.
- 15 (13) Three (3) persons appointed by the speaker of the house of
- 16 representatives who are not members of the general assembly. Not
- 17 more than two (2) of the persons appointed under this subdivision
- 18 may be members of the same political party.
- 19 SECTION 106. IC 12-14-2-1, AS AMENDED BY P.L.128-1999,
- 20 SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 21 JULY 1, 2005]: Sec. 1. (a) After the investigation under IC 12-14-1-6,
- 22 the county office shall decide the following:
- 23 (1) Whether the child is eligible for assistance under this article.
- 24 (2) The amount of assistance.
- 25 (3) The date assistance begins.
- 26 (b) The county office may not consider:
- 27 (1) money in an individual development account under ~~IC 4-4-28~~
- 28 **IC 5-28-24** that belongs to the child or a member of the child's
- 29 family;
- 30 (2) five thousand dollars (\$5,000) of equity value (as defined in
- 31 470 IAC 10.1-3-1) in one (1) motor vehicle that belongs to a
- 32 member of the child's family; or
- 33 (3) a Holocaust victim's settlement payment received by the child
- 34 or a member of the child's family;
- 35 when determining whether the child is eligible for assistance under this
- 36 article.
- 37 SECTION 107. IC 12-14-2-3, AS AMENDED BY P.L.128-1999,
- 38 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 39 JULY 1, 2005]: Sec. 3. (a) Except as provided in subsection (b), when
- 40 determining the amount of assistance, an accounting must be taken of
- 41 any income or property of the child that the child may receive from
- 42 another source.

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(b) The following may not be considered as income or property of the child when determining the amount of assistance for the child:

(1) Money in an individual development account established under ~~IC 4-4-28~~ **IC 5-28-24** that belongs to a child or a member of the child's family.

(2) A Holocaust victim's settlement payment received by the child or a member of the child's family.

SECTION 108. IC 13-20-13-8, AS AMENDED BY P.L.1-1999, SECTION 37, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 8. (a) Except as provided in subsection (d)(2), (d)(3), (d)(6), and (d)(7) the waste tire management fund is established for the following purposes:

(1) Thirty-five percent (35%) of the money deposited in the fund each year shall be used to assist the department:

(A) in the removal and disposal of waste tires from sites where the waste tires have been disposed of improperly;

(B) in operating the waste tire education program under section 15 of this chapter; and

(C) to pay the expenses of administering the programs described in clause (B).

(2) Sixty-five percent (65%) of the money deposited in the fund each year shall be used to assist the ~~department of commerce~~:

office of energy policy:

(A) in providing grants and loans to persons involved in waste tire management activities under section 9 of this chapter; and

(B) to pay the expenses of administering the programs described in clause (A).

(b) The expenses of administering the fund shall be paid from money in the fund.

(c) Money in the fund at the end of a state fiscal year does not revert to the state general fund.

(d) Sources of money for the fund are the following:

(1) Fees paid under section 4(a)(6) of this chapter and IC 13-20-14-5(e).

(2) Fees collected under section 7 of this chapter. All money deposited in the fund under this subdivision may be used by the department for waste reduction, recycling, removal, or remediation projects.

(3) Costs and damages recovered from a person under section 14 of this chapter or IC 13-20-14-8. All money deposited in the fund under this subdivision may be used by the department for removal and remediation projects.

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(4) Fees established by the general assembly for the purposes of this chapter.

(5) Appropriations made by the general assembly.

(6) Gifts and donations intended for deposit in the fund. A gift or donation deposited in the fund under this subdivision may be specified to be entirely for the use of the department or the ~~department of commerce~~ **office of energy policy**.

(7) Civil penalties collected under IC 13-30-4 for violations of:

(A) this chapter;

(B) IC 13-20-14; and

(C) rules adopted under section 11 of this chapter and IC 13-20-14-6.

All money deposited in the fund under this subdivision may be used by the department for waste tire removal and remediation projects.

SECTION 109. IC 13-20-13-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 9. (a) The department may use money in the fund to assist the department in:

(1) removing waste tires from sites where waste tires have been disposed of improperly;

(2) properly managing waste tires;

(3) performing surveillance and enforcement activities used to implement proper waste tire management; and

(4) conducting the waste tire education program under section 15 of this chapter.

(b) The ~~department of commerce~~ **office of energy policy** may use money in the fund to provide grants and loans to persons to establish and operate programs involving the following:

(1) Recycling or reuse of waste tires.

(2) Using waste tires as a source of fuel.

(3) Developing markets for waste tires and products containing recycled or reused waste tires.

(c) The ~~department of commerce~~ **office of energy policy** may adopt rules under IC 4-22-2 necessary to implement this section.

SECTION 110. IC 13-20-22-12, AS AMENDED BY P.L.1-1999, SECTION 39, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 12. Each month the department of state revenue shall deposit the following:

(1) Not less than fifty percent (50%) of the revenue from the fee imposed under section 1(b)(1) of this chapter into the Indiana recycling promotion and assistance fund established in ~~IC 4-23-5.5-14~~ **IC 8-1.2-4-12**.

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(2) Not more than fifty percent (50%) of the revenue from the fee imposed under section 1(b)(1) of this chapter into the fund.

(3) The revenue from the fee imposed under section 1(b)(2) of this chapter into the hazardous ~~substance~~ **substances** response trust fund established by IC 13-25-4-1.

SECTION 111. IC 13-27.5-1-2, AS AMENDED BY P.L.184-2002, SECTION 26, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 2. (a) The board consists of thirteen (13) members.

(b) The commissioner and the president of the Indiana economic development council established under ~~IC 4-3-14~~ **IC 5-28-33** shall serve as ex officio nonvoting members of the board. The commissioner or the president may in writing designate a technical representative to serve as a nonvoting member of the board when the commissioner or the president is absent from a meeting of the board.

(c) The governor shall appoint eleven (11) members of the board as follows:

(1) One (1) representative of public universities in Indiana.

(2) One (1) representative of private universities in Indiana.

(3) Three (3) representatives of manufacturers, including one (1) representative of small manufacturers.

(4) One (1) representative of a statewide environmental organization.

(5) One (1) representative of organized labor.

(6) One (1) representative of the public.

(7) One (1) representative of county government.

(8) One (1) representative of municipal government.

(9) One (1) representative who must have expertise in occupational health and the workplace environment.

(d) To be appointed as a member of the board under subsection (c), an individual must demonstrate a knowledge of policy or of technical matters concerning multimedia clean manufacturing.

(e) An individual appointed to the board under subsection (c)(1) or (c)(2) may not represent a university that is selected to establish the Indiana clean manufacturing technology and safe materials institute under IC 13-27.5-2.

SECTION 112. IC 14-10-1-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 1. The natural resources commission is established. The commission consists of twelve (12) members as follows:

(1) The commissioner of the Indiana department of transportation or the commissioner's designee.

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(2) The commissioner of the department of environmental management or the commissioner's designated deputy.

(3) The director of the department of ~~commerce~~ **tourism** or the director's designated deputy.

(4) The director of the department.

(5) The chairman of the advisory council for the bureau of water and resource regulation.

(6) The chairman of the advisory council for the bureau of lands and cultural resources.

(7) The president of the Indiana academy of science or the president's designee.

(8) Five (5) citizen members appointed by the governor, at least two (2) of whom must have knowledge, experience, or education in the environment or in natural resource conservation. Not more than three (3) citizen members may be of the same political party.

SECTION 113. IC 14-13-3-4, AS AMENDED BY P.L.133-2001, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 4. (a) The commission consists of the following members:

(1) The executive of Gary.

(2) The executive of Hammond.

(3) The executive of East Chicago.

(4) The executive of Portage.

(5) The executive of Michigan City.

(6) The executive of Whiting.

(7) The director of the ~~department of commerce~~, **office of economic development within the Indiana economic development corporation or the director's designee**, who is a nonvoting member.

(8) The director of the department, who is a nonvoting member.

(9) One (1) member appointed jointly by the executives of Burns Harbor, Porter, Ogden Dunes, Dune Acres, and Beverly Shores.

(10) The director of the department of tourism or the director's designee, who is a nonvoting member.

(b) A member of the commission may designate an individual to serve on the commission in the member's place.

SECTION 114. IC 14-13-4-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 4. The commission consists of the following members:

(1) One (1) resident of Vincennes appointed by the executive of Vincennes.

(2) One (1) resident of Mount Vernon appointed by the executive

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of Mount Vernon.

(3) One (1) resident of Tell City appointed by the executive of Tell City.

(4) One (1) resident of Clarksville appointed by the legislative body of Clarksville.

(5) One (1) resident of Lawrenceburg appointed by the executive of Lawrenceburg.

(6) One (1) resident of Aurora appointed by the executive of Aurora.

(7) One (1) resident of Rising Sun appointed by the executive of Rising Sun.

(8) One (1) resident of Jeffersonville appointed by the executive of Jeffersonville.

(9) One (1) resident of New Albany appointed by the executive of New Albany.

(10) One (1) resident of Evansville appointed by the executive of Evansville.

(11) One (1) resident of Madison appointed by the executive of Madison.

(12) One (1) resident of Terre Haute appointed by the executive of Terre Haute.

(13) One (1) resident of Vevay appointed by the legislative body of Vevay.

(14) The director of the ~~department of commerce~~ **office of economic development within the Indiana economic development corporation** or the director's designee, who is a nonvoting member.

(15) The director of the department or the director's designee, who is a nonvoting member.

(16) The director of the department of tourism or the director's designee, who is a nonvoting member.

SECTION 115. IC 14-13-5-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 4. The commission consists of the following ~~fourteen (14)~~ **fifteen (15)** members:

(1) Eight (8) members who serve four (4) year terms as follows:

(A) Two (2) residents of Jeffersonville appointed by the executive of Jeffersonville.

(B) Two (2) residents of Clarksville appointed by the executive of Clarksville.

(C) Two (2) residents of New Albany appointed by the executive of New Albany.

(D) One (1) resident of Clark County appointed by the

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governor.

(E) One (1) resident of Floyd County appointed by the governor.

(2) The executive of Jeffersonville.

(3) The executive of New Albany.

(4) The president of the legislative body of Clarksville.

(5) The director of the department of ~~commerce~~ **tourism** or the director's designee, who serves as a nonvoting member.

(6) The director of the department or the director's designee, who serves as a nonvoting member.

(7) The commissioner of the Indiana department of transportation or the commissioner's designee, who serves as a nonvoting member.

(8) The director of the office of economic development within the Indiana economic development corporation or the director's designee, who is a nonvoting member.

SECTION 116. IC 14-13-6-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 7. The members of the commission are the following:

(1) The director or the director's designee.

(2) One (1) individual appointed by the county executive of each county that:

(A) contains a part of the corridor; and

(B) chooses to support the activities of the commission by resolution adopted by the county executive.

(3) The director of the Indiana department of transportation, or the director's designee, who shall serve as a nonvoting member.

(4) The director of the division of historic preservation and archaeology of the department of natural resources, or the director's designee, who shall serve as a nonvoting member.

(5) The director of the department of environmental management, or the director's designee, who shall serve as a nonvoting member.

(6) The director of the ~~office department~~ **of tourism development** ~~of the department of commerce~~, or the director's designee, who shall serve as a nonvoting member.

(7) The director of the office of economic development within the Indiana economic development corporation or the director's designee, who shall serve as a nonvoting member.

SECTION 117. IC 14-18-3-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 4. (a) The department shall do the following:

(1) Draft and distribute copies of the following to the hotel and

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1 motel industry:

2 (A) A proposed lease and contract.

3 (B) A notice of the time and place that the department will
4 hold a public hearing to consider the terms and conditions of
5 the proposed lease and contract.

6 (2) Submit a copy of the proposed lease to the department of
7 ~~commerce~~ **tourism**.

8 (b) The department of ~~commerce~~ **tourism** shall submit an
9 evaluation and recommendations for amendments for consideration
10 before the public hearing.

11 SECTION 118. IC 14-18-4-3 IS AMENDED TO READ AS
12 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 3. (a) The department
13 shall do the following:

14 (1) Draft and distribute copies of the following to the hotel and
15 motel industry:

16 (A) A proposed lease and contract.

17 (B) A notice of the time and place that the department will
18 hold a public hearing to consider the terms and conditions of
19 the proposed lease and contract.

20 (2) Submit a copy of the proposed lease to the department of
21 ~~commerce~~ **tourism**.

22 (b) The department of ~~commerce~~ **tourism** shall submit an
23 evaluation and recommendations for amendments for consideration
24 before the public hearing.

25 SECTION 119. IC 14-20-12-3 IS AMENDED TO READ AS
26 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 3. Thousands of
27 Hoosiers all over the nation have contributed toward the moving and
28 restoration of this historic house and because the house has already
29 proven to be an outstanding tourist attraction and in keeping with our
30 great American heritage, it is the intent of this chapter that the
31 department of ~~commerce~~ **tourism**, the department, and other
32 appropriate state boards and agencies give widespread publicity to this
33 memorial by brochure, pamphlet, or other means.

34 SECTION 120. IC 14-33-7-7 IS AMENDED TO READ AS
35 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 7. (a) To pay the costs
36 of establishing a district, including general, legal, and administrative
37 costs and costs incident to preparing the district plan, money may be
38 obtained from one (1) or a combination of the following methods:

39 (1) Gifts, loans, or grants from a state or federal agency, or both.

40 (2) Gifts from any source.

41 (3) The collection of the special benefit tax.

42 (4) Borrowing from private or public sources in anticipation of the

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collection of the tax.

(5) Advances from the general fund of the county under section 15 of this chapter.

(6) Borrowing from the economic development fund created by ~~IC 4-4-7~~ **IC 5-28-9** for any of the purposes in IC 14-33-1-1.

(7) Borrowing from the flood control revolving fund created by IC 14-28-5 for any of the purposes in IC 14-33-1-1.

(b) All persons, agencies, and departments charged with the administration and supervision of funds such as those created by ~~IC 4-4-7~~ **IC 5-28-9** and IC 14-28-5 may make loans and advances to a district. The procedures, terms, and conditions of the loans must be the same as provided in the statutes establishing the funds but shall be modified and supplemented to fit this article to facilitate the financing of districts.

(c) This section does not preclude the borrowing of money for the following:

(1) Establishing the district.

(2) General, legal, and administrative costs.

(3) Costs incident to preparing the district plan in conjunction with borrowing of money to pay construction costs.

SECTION 121. IC 14-33-7-17 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 17. A district shall promptly repay any money that is advanced to the district from:

(1) the general fund of a county; or

(2) the economic development fund created by ~~IC 4-4-7~~ **IC 5-28-9**;

from money received through the collection of an authorized tax or assessment.

SECTION 122. IC 15-2.1-2-15 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 15. "Domestic animal" means an animal that is not wild. The term is limited to:

(1) cattle, calves, horses, mules, swine, sheep, goats, dogs, cats, poultry, ostriches, rhea, emus, or other ~~bird~~ **birds**;

(2) an animal of the bovine, equine, ovine, caprine, porcine, canine, feline, avian, camelid, cervidae, or bison species; or

(3) an aquatic animal that may be the subject of aquaculture (as defined in ~~IC 4-4-3-8-1~~) **IC 15-9-5-1**).

SECTION 123. IC 15-8-1-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 3. "Commissioner" refers to the lieutenant governor, serving as the commissioner of agriculture under ~~IC 4-4-3-2~~ **IC 15-9-2-1**.

SECTION 124. IC 15-9 IS ADDED TO THE INDIANA CODE AS

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A NEW ARTICLE TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]:

ARTICLE 9. COMMISSIONER OF AGRICULTURE

Chapter 1. Definitions

Sec. 1. As used in this article, "commissioner" refers to the commissioner of agriculture.

Sec. 2. As used in this article, "assistant commissioner" refers to the assistant commissioner of agriculture appointed under IC 15-9-2-2.

Chapter 2. Commissioner of Agriculture

Sec. 1. The lieutenant governor, by virtue of the lieutenant governor's office, shall serve as commissioner of agriculture. The lieutenant governor shall receive no additional salary for service in this capacity.

Sec. 2. (a) The commissioner shall appoint an assistant commissioner. The assistant commissioner serves at the pleasure of the commissioner.

(b) The assistant commissioner must have professional training and experience in agriculture programs.

Sec. 3. The staff of the commissioner of agriculture shall assist in the promotion and marketing of Indiana's agricultural products, and provide assistance to the commissioner in fulfilling the commissioner's responsibilities as commissioner of agriculture.

Chapter 3. Promotion of Livestock Shows

Sec. 1. As used in this chapter, "fund" refers to the livestock industry promotion and development fund established by section 4 of this chapter.

Sec. 2. As used in this chapter, "livestock" includes but is not limited to the following:

- (1)** Beef cattle, dairy cattle, and other animals of the bovine species.
- (2)** Swine and other animals of the porcine species.
- (3)** Sheep and other members of the ovine species.
- (4)** Horses, mules, burros, asses, and other animals of the equine species.
- (5)** Goats and other members of the caprine species.
- (6)** Poultry and other birds of the avian species.
- (7)** Ostriches, rhea, emus, and other members of the ratite species.
- (8)** Camels, llamas, and other members of the camelid species.
- (9)** Farm raised deer, elk, moose, and other members of the cervidae species.

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1 (10) Bison.

2 (11) Aquatic animals that are the subject of aquaculture.

3 (12) Rabbits.

4 Sec. 3. The commissioner shall aid, encourage, foster, and
5 promote the development and improvement of the livestock
6 industry throughout Indiana.

7 Sec. 4. (a) The livestock industry promotion and development
8 fund is established as a dedicated fund to be administered by the
9 commissioner.

10 (b) The money in the fund must be spent throughout Indiana by
11 the commissioner exclusively for the purposes described in this
12 chapter, including administrative expenses.

13 (c) Money in the fund does not revert to the state general fund
14 at the end of a fiscal year. However, if the fund is abolished, money
15 in the fund reverts to the state general fund.

16 (d) There is annually appropriated to the commissioner the
17 entire amount of money in the fund for the use of the commissioner
18 in carrying out the purposes of this chapter.

19 Sec. 5. The commissioner may make grants from the fund to
20 associations or organizations for the following purposes:

21 (1) To conduct or support livestock industry shows, sales,
22 expositions, conventions, or similar events throughout Indiana
23 consistent with the purposes of this chapter.

24 (2) To support expanding markets for Indiana livestock
25 producers by encouraging the development of business and
26 industry related to livestock production, processing, and
27 distribution.

28 Sec. 6. (a) An association or organization may not qualify for or
29 be eligible to receive any part of the fund to be awarded as
30 premiums unless there is provided and made available from
31 sources other than the fund an amount for premiums equal to or
32 greater than that allocated from the fund under this chapter.

33 (b) Funds approved and designated by the commissioner for
34 purposes other than premium awards are exempt from the
35 matching fund requirements for premium awards.

36 Sec. 7. An association or organization must be a nonprofit entity
37 to be eligible for grants under this chapter.

38 Sec. 8. The commissioner may adopt rules under IC 4-22-2 to
39 carry out this chapter.

40 Chapter 4. Promotion of Foreign Markets for Agricultural
41 Products

42 Sec. 1. The commissioner has the responsibility for foreign

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1 market promotion for agricultural products.

2 Sec. 2. Within the limit of funds specifically appropriated for
3 that purpose, the commissioner may establish and maintain offices
4 in foreign countries to promote international markets for Indiana
5 agricultural products.

6 Sec. 3. Within the limit of funds specifically appropriated for
7 that purpose, the commissioner may operate livestock export
8 inspection facilities meeting the requirements of the United States
9 Department of Agriculture for livestock inspection before export
10 shipments.

11 Sec. 4. The commissioner may establish and collect fair and
12 reasonable livestock inspection fees related to the cost of
13 administering livestock export facilities.

14 Sec. 5. Livestock export facilities must be located in locations
15 that will encourage the collection of livestock from Indiana and the
16 entire midwest area for exportation.

17 Sec. 6. (a) The livestock export facility administration fund is
18 established as a dedicated fund to be administered by the
19 commissioner.

20 (b) All fees collected under section 4 of this chapter shall be
21 deposited in the fund. The money in the fund may be spent by the
22 commissioner exclusively for the purposes described in this
23 chapter. Money in the fund does not revert to the state general
24 fund at the end of a fiscal year. However, if the fund is abolished,
25 money in the fund reverts to the state general fund.

26 Chapter 5. Aquaculture

27 Sec. 1. As used in this chapter, "aquaculture" means a form of
28 agriculture consisting of the controlled cultivation and harvest of
29 aquatic plants and animals.

30 Sec. 2. The commissioner shall do the following:

- 31 (1) Organize and develop an information and market research
- 32 center for aquaculture.
- 33 (2) Instigate the formation of a market and development plan
- 34 for the aquaculture industry.
- 35 (3) Encourage the development and growth of aquaculture.

36 Sec. 3. A person engaged in the business of aquaculture is
37 entitled to the same consideration for a grant or loan program
38 under the statutes or administrative rules of the state as a person
39 engaged in other forms of farming.

40 Chapter 6. Inspection of Grain Moisture Testing Equipment

41 Sec. 1. The commissioner or the commissioner's designee shall
42 at least one (1) time each year inspect and test all equipment used

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1 to test the moisture and the foreign material and dockage content
2 of grain purchased, sold, or exchanged in Indiana.

3 Sec. 2. Each piece of equipment that is tested and found to be
4 true in accordance with rules or standards prescribed by the
5 National Institute of Standards and Technology, the United States
6 Department of Agriculture, and the office of the commissioner
7 must bear a seal issued by the office of the commissioner to that
8 effect with the date of inspection and expiration date.

9 Sec. 3. (a) The commissioner or the commissioner's designee
10 shall charge a fee of ten dollars (\$10) for each moisture testing
11 device inspected from each inspection site under this chapter.

12 (b) All fees shall be deposited in the state general fund.

13 Sec. 4. Money shall be appropriated to the office of the
14 commissioner for the use of the office in carrying out this chapter.

15 Sec. 5. The office of the commissioner may adopt rules to
16 administer this chapter.

17 Sec. 6. The office of the commissioner may:

- 18 (1) employ such persons;
- 19 (2) make such expenditures;
- 20 (3) require such reports and records;
- 21 (4) make such investigations; and
- 22 (5) take such other action;

23 as the office considers necessary or suitable for the proper
24 administration of this chapter.

25 Sec. 7. A copy of this chapter and all rules adopted under this
26 chapter shall be posted in a conspicuous manner and placed at
27 every commercial grain buying site.

28 Sec. 8. A person who recklessly uses equipment that does not
29 bear the seal required by section 2 of this chapter to ascertain the
30 moisture and the foreign material and dockage content of grain in
31 the process of commercial buying or selling of grain commits a
32 Class B misdemeanor.

33 Chapter 7. Center for Value Added Research

34 Sec. 1. The commissioner shall establish a center for value
35 added research to perform the following duties:

- 36 (1) Developing a strategic assessment of the Indiana
37 agricultural industries and establishing targeted priorities for
38 industry expansion.
- 39 (2) Developing recommendations for legislative and
40 administrative programs that will enhance economic
41 development in the targeted agricultural industries.
- 42 (3) Identify and prioritize research development and

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educational needs for expanding value added opportunities in Indiana.

(4) Establishing cooperative industry research and development initiatives that lead to new agricultural industry opportunities in Indiana.

(5) Serving as a resource for industry in the planning, promotion, and development of value added agricultural products and agricultural industry opportunities in Indiana, including product feasibility, market feasibility, economic feasibility, product development, product testing, and test marketing.

(6) Serving as a resource for industry and state government in attracting value added agricultural industry to Indiana.

(7) Developing private sector research funding and technology transfer programs commensurate with the state's targeted agricultural industry economic development objectives.

(8) Providing a forum for continuing dialogue between industry, government, and researchers in addressing the needs and opportunities for expanding the value added agricultural industry.

Sec. 2. In carrying out its duties under this chapter, the center for value added research shall cooperate with and may use the resources of:

(1) Purdue University and other colleges and universities located in Indiana;

(2) any other state or federal department or agency;

(3) political subdivisions located in Indiana; and

(4) interest groups representing agriculture, business, and industry in Indiana.

Sec. 3. To carry out the duties described in section 1 of this chapter, the commissioner, acting for and on behalf of the center for value added research, may:

(1) organize the center in the manner necessary to implement this chapter;

(2) execute contractual agreements, including contracts for:

(A) the operation of the center;

(B) the performance of any of the duties described in section 1 of this chapter;

(C) the services of an executive director to serve as the chief operating officer of the center; and

(D) any other services necessary to carry out the duties described in section 1 of this chapter;

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- (3) receive money from any source;
- (4) expend money for an activity appropriate to the purposes of this chapter;
- (5) execute agreements and cooperate with:
 - (A) any other state or federal department or agency;
 - (B) political subdivisions located in Indiana;
 - (C) any private person or corporation; or
 - (D) colleges and universities located in Indiana; and
- (6) subject to the approval of the budget agency, employ personnel as necessary for the efficient administration of this chapter.

Sec. 4. (a) The value added research fund is established to provide money for the center for value added research and the commissioner to carry out the duties specified under this chapter. The fund shall be administered by the commissioner.

(b) The fund consists of money appropriated by the general assembly.

(c) The treasurer of state shall invest the money in the fund not currently needed to meet the obligations of the fund in the same manner as other public funds may be invested.

(d) Money in the fund at the end of a state fiscal year does not revert to the state general fund.

Chapter 8. Indiana Rural Development Council

Sec. 1. As used in this chapter, "council" refers to the Indiana Rural Development Council established by the 1993 memorandum of understanding between Indiana and the United States Department of Agriculture.

Sec. 2. With the approval of the governing board of the council, the council shall do the following:

- (1) Develop a rural economic development strategy for helping Indiana assist Indiana's rural residents in improving their quality of life and for helping promote successful and sustainable rural communities. The rural economic development strategy must include goals and recommendations concerning the following issues:
 - (A) Job creation and retention.
 - (B) Infrastructure, including water, wastewater, and storm water infrastructure needs.
 - (C) Housing.
 - (D) Workforce training.
 - (E) Health care.
 - (F) Local planning.

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(G) Land use.

(H) Assistance to regional rural development groups.

(I) Other rural development issues, as determined by the council.

(2) Before October 1 of each year, submit an annual report to the legislative council to do the following:

(A) Inform the general assembly of the council's work during the period covered by the report.

(B) Assist the general assembly in monitoring issues affecting rural communities and responding to the needs of rural residents.

The report to the legislative council must be in an electronic format under IC 5-14-6.

(3) Testify concerning rural development issues before any standing committee or study committee established by the general assembly, as requested by the legislative council.

Sec. 3. The council may contract with any regional rural development group for assistance in developing the rural economic development strategy required under this chapter.

Sec. 4. (a) The rural development council fund is established to be used exclusively for:

- (1) the purposes set forth in sections 2 and 3 of this chapter;
- (2) administrative expenses and personnel expenses incurred by the council in carrying out this chapter; and
- (3) providing funding for the establishment of new regional rural development groups and the operations of existing regional rural development groups.

(b) The fund shall be administered by the council.

(c) The expenses of administering the fund shall be paid from the money in the fund.

(d) Notwithstanding IC 5-13, the treasurer of state shall invest the money in the fund not currently needed to meet the obligations of the fund under IC 5-13-10.5. The treasurer of state may contract with investment management professionals, investment advisers, and legal counsel to assist in the management of the fund and may pay the state expenses incurred under those contracts.

(e) Money in the fund at the end of a state fiscal year does not revert to the state general fund.

Chapter 9. Rural Development Administration Fund

Sec. 1. (a) The rural development administration fund (referred to as "the fund" in this chapter) is established to enhance and developing rural communities. The fund shall be administered by

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the Indiana rural development council.

(b) The expenses of administering the fund shall be paid from the money in the fund.

(c) Notwithstanding IC 5-13, the treasurer of state shall invest the money in the fund not currently needed to meet the obligations of the fund under IC 5-13-10.5. The treasurer of state may contract with investment management professionals, investment advisers, and legal counsel to assist in the management of the fund and may pay the state expenses incurred under those contracts.

(d) Money in the fund at the end of a state fiscal year does not revert to the state general fund.

Sec. 2. (a) Money in the fund may be used for the following purposes:

(1) To create, assess, and assist a pilot project to enhance the economic and community development in a rural area.

(2) To establish a local revolving loan fund for an industrial, a commercial, an agricultural, or a tourist venture.

(3) To provide a loan for an economic development project in a rural area.

(4) To provide technical assistance to a rural organization.

(5) To assist in the development and creation of a rural cooperative.

(6) To address rural workforce development challenges.

(7) To assist in addressing telecommunications needs in a rural area.

(b) Expenditures from the fund are subject to appropriation by the general assembly and approval by the Indiana rural development council under IC 15-9-8. The council may not approve an expenditure from the fund unless the rural development administration advisory board established by section 3 of this chapter has recommended the expenditure.

Sec. 3. (a) The rural development administration advisory board is established to make recommendations concerning the expenditure of money from the fund.

(b) The advisory board shall meet at least four (4) times per year and shall also meet at the call of the executive director of the Indiana rural development council.

(c) The advisory board consists of the following members:

(1) The executive director of the Indiana rural development council, who serves as an ex officio member and as the chairperson of the advisory board.

(2) Two (2) members of the senate, who may not be members

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of the same political party, appointed by the president pro tempore of the senate.

(3) Two (2) members of the house of representatives, who may not be members of the same political party, appointed by the speaker of the house of representatives.

(4) A representative of the commissioner, to be appointed by the governor.

(5) A representative of the Indiana economic development corporation, to be appointed by the governor.

(6) A representative of the department of workforce development, to be appointed by the governor.

(7) Two (2) persons with knowledge and experience in state and regional economic needs, to be appointed by the governor.

(8) A representative of a local rural economic development organization, to be appointed by the governor.

(9) A representative of a small town or rural community, to be appointed by the governor.

(10) A representative of the Indiana rural development council, to be appointed by the governor.

(11) A representative of rural education, to be appointed by the governor.

(12) A representative of the league of regional conservation and development districts, to be appointed by the governor.

(13) A person currently enrolled in rural secondary education, to be appointed by the governor.

(d) The members of the advisory board listed in subsection (c)(1) through (c)(3) are nonvoting members.

(e) The term of office of a legislative member of the advisory board is four (4) years. However, a legislative member of the advisory board ceases to be a member if the member:

(1) is no longer a member of the chamber from which the member was appointed; or

(2) is removed from the advisory board by the appointing authority who appointed the legislator.

(f) The term of office of a voting member of the advisory board is four (4) years. However, members serve at the pleasure of the governor and may be removed for any reason.

(g) If a vacancy exists on the advisory board, the appointing authority who appointed the former member whose position has become vacant shall appoint an individual to fill the vacancy for the balance of the unexpired term.

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(h) Six (6) voting members of the advisory board constitute a quorum for the transaction of business at a meeting of the advisory board. The affirmative vote of at least six (6) voting members is necessary for the advisory board to take action.

Chapter 10. Indiana Commission for Agriculture and Rural Development

Sec. 1. As used in this chapter, "commission" refers to the Indiana commission for agriculture and rural development established by section 2 of this chapter.

Sec. 2. The Indiana commission for agriculture and rural development is established.

Sec. 3. The commissioner shall provide the necessary staff and administrative support for the commission.

Sec. 4. The commission shall do the following:

(1) Recommend policy initiatives to the governor and lieutenant governor that enhance Indiana's agricultural industry and rural communities. Recommendations made under this subdivision may include the following:

(A) Appropriate legislation.

(B) The state's involvement in and recommendations regarding national agricultural and rural development policy.

(C) Methods to improve the effectiveness of the state's agriculture and rural development programs.

(D) Needed educational programs throughout Indiana to further agriculture and rural development.

(2) Revise as needed the state's strategic plan for agriculture and rural development.

(3) Encourage cooperation among state agencies, federal agencies, and state educational institutions that administer programs concerning agriculture and rural development.

(4) Cooperate with the Indiana economic development corporation in the development of a comprehensive agriculture and rural business initiative and promotional program to assist in the advancement of value added agricultural product processing and related services.

(5) Provide agricultural awareness in the state's rural health and economic development efforts.

(6) Promote diversified, economical, and environmentally sound agricultural production.

(7) Cooperate with agricultural commodity groups and agricultural interest groups in the development of effective

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programs to promote Indiana's agricultural industry.

Sec. 5. The commission shall address:

- (1) long term and broad issues, including coverage of agricultural and rural concerns; and
- (2) priority issues such as county roads and bridges, water quality, rural health (including mental health), agribusiness development, access to capital, education, and research and development needs.

Sec. 6. The commission shall file a written report with the governor before December 31 of each year. The report must summarize the performance of the commission during the year and the plans of the commission for activity during the following year.

Sec. 7. (a) The commission consists of the following fifteen (15) members:

- (1) The commissioner.
- (2) The governor or the governor's designee.
- (3) The dean of the school of agriculture at Purdue University or the dean's designee.
- (4) The assistant commissioner.
- (5) Eleven (11) citizens.

(b) The following are ex officio nonvoting members of the commission:

- (1) The dean of the school of agriculture at Purdue University, or the dean's designee.
- (2) The assistant commissioner.

(c) The commissioner serves as chair of the commission.

Sec. 8. (a) The citizen members of the commission shall be appointed by the governor for a term of four (4) years. Not more than six (6) of the citizen members may be members of the same political party.

(b) The governor shall appoint individuals as citizen members of the commission based on each individual's familiarity with production agriculture, farm organizations, agribusiness, banking, or public services to rural areas.

(c) If a vacancy occurs among the citizen members of the commission, the governor shall appoint an individual to serve for the unexpired term of the vacating member.

(d) A quorum of the commission consists of seven (7) voting members.

(e) The commission shall meet at the call of the commissioner but shall meet at least quarterly.

(f) Each member of the commission who is neither a state

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1 employee nor otherwise being compensated for service as a
 2 member of the commission is entitled to the minimum salary per
 3 diem provided by IC 4-10-11-2.1(b). Such a member is also entitled
 4 to reimbursement for traveling expenses and other expenses
 5 actually incurred in connection with the member's duties, as
 6 provided in the state travel policies and procedures established by
 7 the Indiana department of administration and approved by the
 8 budget agency.

9 (g) Each member of the commission who is either a state
 10 employee or otherwise being compensated for service as a member
 11 of the commission is entitled to reimbursement for traveling
 12 expenses and other expenses actually incurred in connection with
 13 the member's duties, as provided in the state travel policies and
 14 procedures established by the Indiana department of
 15 administration and approved by the budget agency.

16 Sec. 9. (a) The assistant commissioner shall supervise the daily
 17 operation of the commission.

18 (b) The assistant commissioner shall serve as vice chair of the
 19 commission.

20 Chapter 11. Indiana Land Resources Council

21 Sec. 1. As used in this chapter, "council" refers to the Indiana
 22 land resources council established by section 2 of this chapter.

23 Sec. 2. The Indiana land resources council is established.

24 Sec. 3. The commissioner shall provide the necessary staff and
 25 administrative support for the council.

26 Sec. 4. The purpose of the council is to:

27 (1) collect information; and

28 (2) provide:

29 (A) educational assistance;

30 (B) technical assistance; and

31 (C) advice;

32 to local governments regarding land use strategies and issues
 33 across Indiana.

34 Sec. 5. The council may do the following:

35 (1) Provide technical assistance and information about land
 36 use strategies.

37 (2) Facilitate collaboration among commonly affected state,
 38 county, and local governmental units.

39 (3) Compile and maintain a land planning information
 40 library, both hard copy and electronic, that includes current
 41 data on land resources in Indiana.

42 (4) Establish or coordinate educational programs for

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governmental units, nongovernmental units, and the public with special consideration for local planning commission members and county commissioners.

(5) Provide counties and local communities conducting land use planning with access to technical and legal assistance through a referral service.

(6) Provide information to local authorities on model ordinances for programs and techniques on land use.

(7) Obtain grants and assist counties and local communities in locating additional funding sources for planning projects.

(8) Make recommendations to the general assembly and other governmental bodies concerning land resources.

(9) When requested, advise the general assembly on proposals relating to land resources.

Sec. 6. (a) The council consists of the following members:

(1) The commissioner, or in the commissioner's absence, the assistant commissioner.

(2) Nine (9) members appointed by the governor as follows:

(A) One (1) member representing county government.

(B) One (1) member representing municipal government.

(C) One (1) member representing farm owners.

(D) One (1) member representing home building and land development.

(E) One (1) member representing business.

(F) One (1) member representing the environment.

(G) One (1) member with expertise in land use issues representing academia.

(H) One (1) member representing soil and water conservation districts.

(I) One (1) member representing forestry.

(b) Not more than five (5) of the members appointed by the governor under subsection (a)(2) may be of the same political party.

(c) The term of a member is four (4) years.

(d) Each member appointed by the governor under subsection (a)(2) is entitled to hold office for the term of the member's appointment and is entitled to continue to serve after expiration of the member's appointment until a successor is appointed and qualified.

(e) Any member is eligible for reappointment.

(f) Any member appointed by the governor under subsection (a)(2) may be removed from office by the governor and serves at

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the pleasure of the governor.

(g) If a vacancy occurs among the members of the council appointed by the governor under subsection (a)(2), the governor shall appoint an individual to serve for the unexpired term of the vacating member.

Sec. 7. (a) Except as provided in subsection (b), the commissioner serves as chair of the council.

(b) In the absence of the commissioner, the assistant commissioner serves as chair of the council.

Sec. 8. (a) A quorum of the council for transacting business consists of six (6) members.

(b) The affirmative vote of at least six (6) members is necessary for any action to be taken by the council.

(c) A vacancy in the membership of the council does not impair the right of a quorum to exercise all rights and perform all duties of the council.

(d) The council shall meet at the call of the chair.

(e) The council shall keep the council's records and information at the office of the commissioner.

(f) Each member of the council who is not a state employee is entitled to the minimum salary per diem provided by IC 4-10-11-2.1(b). The member is also entitled to reimbursement for traveling expenses as provided under IC 4-13-1-4 and other expenses actually incurred in connection with the member's duties as provided in the state policies and procedures established by the Indiana department of administration and approved by the budget agency.

(g) Each member of the council who is a state employee is entitled to reimbursement for traveling expenses as provided under IC 4-13-1-4 and other expenses actually incurred in connection with the member's duties as provided in the state policies and procedures established by the Indiana department of administration and approved by the budget agency.

Chapter 12. Indiana Rural Rehabilitation Corporation

Sec. 1. The commissioner is hereby designated as the state official of the state of Indiana to make application to and receive from the Secretary of the United States Department of Agriculture or any other proper federal official, pursuant and subject to the provisions of Public Law 499, 81st Congress, approved May 3, 1950, the trust assets, either funds or property, held by the United States as trustee in behalf of the Indiana rural rehabilitation corporation.

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1 **Sec. 2. The commissioner is authorized to enter into agreements**
 2 **with the Secretary of the United States Department of Agriculture**
 3 **under Section 2(f) of Public Law 499 of the 81st Congress of the**
 4 **United States, approved May 3, 1950, upon the terms and**
 5 **conditions and for the periods of time as may be mutually**
 6 **agreeable. The agreements may authorize the Secretary of the**
 7 **United States Department of Agriculture to accept, administer,**
 8 **expend, and use in Indiana all or any part of the trust assets or any**
 9 **other funds of the state that may be appropriated for such uses for**
 10 **carrying out the purposes of Titles 1 and 2 of the Bankhead-Jones**
 11 **Farm Tenant Act, in accordance with the applicable provisions of**
 12 **Title 4 of that Act, as amended, and the commissioner shall provide**
 13 **in agreement with the Secretary of the United States Department**
 14 **of Agriculture that all of the funds shall be administered through**
 15 **the federal Farmer's Home Administration and that only three**
 16 **percent (3%) of the book value of the assets so transferred may be**
 17 **used for administrative purposes. The farmer's home**
 18 **administration may do all things necessary to effectuate and carry**
 19 **out the purposes of the agreements.**

20 **Sec. 3. Notwithstanding any other provisions of law, funds and**
 21 **the proceeds of the trust assets that are not authorized to be**
 22 **administered by the Secretary of the United States Department of**
 23 **Agriculture under section 2 of this chapter shall be received by the**
 24 **commissioner under the application made under section 1 of this**
 25 **chapter, and shall be deposited by the commissioner with the state**
 26 **treasurer to be held in a special fund for expenditure on proper**
 27 **voucher and warrant by the commissioner for the purposes of**
 28 **section 2 of this chapter.**

29 **Sec. 4. (a) The commissioner may do the following:**

30 **(1) Collect, compromise, adjust, or cancel claims and**
 31 **obligations arising out of or administered under this chapter**
 32 **or under any mortgage, lease, contract, or agreement entered**
 33 **into or administered under this chapter and, if in the**
 34 **commissioner's judgment, necessary and advisable, pursue**
 35 **the claims and obligations to final collection in any court**
 36 **having jurisdiction.**

37 **(2) Bid for and purchase at any execution, foreclosure, or**
 38 **other sale, or otherwise to acquire property upon which the**
 39 **commissioner has a lien by reason of a judgment or an**
 40 **execution, or that is pledged, mortgaged, conveyed, or that**
 41 **otherwise secures any loan or other indebtedness owing to or**
 42 **acquired by the commissioner under this chapter.**

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(3) Accept title to any property so purchased or acquired, to operate or lease the property for as long as is necessary to protect the investment in the property, and to sell or otherwise dispose of the property in a manner consistent with this chapter.

(b) The authority under this chapter shall be delegated by the commissioner to the Secretary of the United States Department of Agriculture with respect to funds or assets authorized to be administered and used by the Secretary of the United States Department of Agriculture under agreements entered into under section 2 of this chapter.

Sec. 5. The United States and the Secretary of the United States Department of Agriculture has no liability by virtue of the transfer of the assets to the commissioner under this chapter.

Chapter 13. Mediation Program

Sec. 1. The commissioner may establish a program under 7 U.S.C. 6991 et seq. (the Federal Crop Insurance Reform and Department of Agriculture Reorganization Act of 1994) to provide procedures for mediating adverse decisions by agencies of the United States Department of Agriculture.

Sec. 2. The program may be certified by the United States Department of Agriculture.

Sec. 3. The commissioner may apply to the Secretary of the United States Department of Agriculture for financial assistance for the operation and administration of the program.

Sec. 4. The commissioner may adopt rules under IC 4-22-2 that are necessary to administer the program.

Sec. 5. (a) The commissioner must approve each mediator who serves in the program.

(b) Before a mediator may be approved, the commissioner shall provide adequate training to the mediator to ensure that the mediator:

(1) has a reasonable expertise in agriculture, including a basic understanding of federal and state agricultural programs; and

(2) is not biased, prejudiced, or personally interested in the outcome of a proceeding.

SECTION 125. IC 20-1-18.3-11 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 11. The commission shall also do the following:

(1) Make recommendations to the general assembly concerning the development, duplication, and accessibility of employment

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training and vocational education on a regional and statewide basis.

(2) Consult with any state agency, commission, or organization that supervises or administers programs of vocational education concerning the coordination of vocational education, including the following:

(A) The ~~department of commerce~~ **Indiana economic development corporation**.

(B) The state human resource investment council.

(C) A private industry council (as defined in 29 U.S.C. 1501 et seq.).

(D) The department of labor.

(E) The Indiana commission on proprietary education.

(F) The commission for higher education.

(G) The Indiana state board of education.

(3) Review and make recommendations concerning plans submitted by the Indiana state board of education and the commission for higher education. The commission may request the resubmission of plans or parts of plans that do not meet the following criteria:

(A) Consistency with the long range state plan of the commission.

(B) Evidence of compatibility of plans within the system.

(C) Avoidance of duplication of existing services.

(4) Report to the general assembly **in an electronic format under IC 5-14-6** on the commission's conclusions and recommendations concerning interagency cooperation, coordination, and articulation of vocational education and employment training.

(5) Study and develop a plan concerning the transition between secondary level vocational education and postsecondary level vocational education.

(6) Enter into agreements with the federal government that may be required as a condition of receiving federal funds under the Vocational Education Act (20 U.S.C. 2301 et seq.). An agreement entered into under this subdivision is subject to the approval of the budget agency.

SECTION 126. IC 20-11-3-5.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 5.5. (a) As used in this section, "concerned state agency" includes the following state agencies that are inherently concerned with the mission of the coalition as stated in section 1 of this chapter:

(1) The state library and historical society.

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- (2) The department of workforce development.
- (3) The department of correction.
- (4) The office of the secretary of family and social services.
- (5) The ~~department of commerce~~. **Indiana economic development corporation.**
- (6) The department of education.
- (b) The director of a concerned state agency shall:
 - (1) appoint an ex officio member to serve on the coalition; and
 - (2) provide appropriate support to the coalition.

SECTION 127. IC 22-4-19-6, AS AMENDED BY P.L.189-2003, SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 6. (a) Each employing unit shall keep true and accurate records containing information the department considers necessary. These records are:

- (1) open to inspection; and
- (2) subject to being copied;

by an authorized representative of the department at any reasonable time and as often as may be necessary. The commissioner, the review board, or an administrative law judge may require from any employing unit any verified or unverified report, with respect to persons employed by it, which is considered necessary for the effective administration of this article.

(b) Except as provided in subsections (d) and (f), information obtained or obtained from any person in the administration of this article and the records of the department relating to the unemployment tax, the skills 2016 assessment under IC 22-4-10.5-3, or the payment of benefits is confidential and may not be published or be open to public inspection in any manner revealing the individual's or the employing unit's identity, except in obedience to an order of a court or as provided in this section.

(c) A claimant at a hearing before an administrative law judge or the review board shall be supplied with information from the records referred to in this section to the extent necessary for the proper presentation of the subject matter of the appearance. The commissioner may make the information necessary for a proper presentation of a subject matter before an administrative law judge or the review board available to an agency of the United States or an Indiana state agency.

(d) The commissioner may release the following information:

- (1) Summary statistical data may be released to the public.
- (2) Employer specific information known as ES 202 data and data resulting from enhancements made through the business establishment list improvement project may be released to the

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~~department of commerce~~ **Indiana economic development corporation** only for the following purposes:

(A) The purpose of conducting a survey.

(B) The purpose of aiding the officers or employees of the ~~department of commerce~~ **Indiana economic development corporation** in providing economic development assistance through program development, research, or other methods.

(C) Other purposes consistent with the goals of the ~~department of commerce~~ **Indiana economic development corporation** and not inconsistent with those of the department.

(3) Employer specific information known as ES 202 data and data resulting from enhancements made through the business establishment list improvement project may be released to the budget agency only for aiding the employees of the budget agency in forecasting tax revenues.

(4) Information obtained from any person in the administration of this article and the records of the department relating to the unemployment tax or the payment of benefits for use by the following governmental entities:

(A) department of state revenue; or

(B) state or local law enforcement agencies;

only if there is an agreement that the information will be kept confidential and used for legitimate governmental purposes.

(e) The commissioner may make information available under subsection (d)(1), (d)(2), or (d)(3) only:

(1) if:

(A) data provided in summary form cannot be used to identify information relating to a specific employer or specific employee; or

(B) there is an agreement that the employer specific information released to the ~~department of commerce~~ **Indiana economic development corporation** or the budget agency will be treated as confidential and will be released only in summary form that cannot be used to identify information relating to a specific employer or a specific employee; and

(2) after the cost of making the information available to the person requesting the information is paid under IC 5-14-3.

(f) In addition to the confidentiality provisions of subsection (b), any information furnished by the claimant or an agent to the department to verify a claim of domestic or family violence is confidential. This information shall not be disclosed to the employer or any other person. Disclosure is subject to the following restrictions:

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(1) The claimant must be notified before any release of information.

(2) Any disclosure is subject to redaction of unnecessary identifying information, including the claimant's address.

(g) An employee:

(1) of the department who recklessly violates subsection (a), (c), (d), (e), or (f); or

(2) of any governmental entity listed in subsection (d)(4) of this chapter who recklessly violates subsection (d)(4) of this chapter; commits a Class B misdemeanor.

(h) An employee of the ~~department of commerce~~ **Indiana economic development corporation** or the budget agency who violates subsection (d) or (e) commits a Class B misdemeanor.

SECTION 128. IC 23-6-4-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 10. In furtherance of its purposes and in addition to the powers conferred on corporations by IC 23-1, a credit corporation may:

(1) borrow money from any lending institution or from any agency established under the Small Business Investment Act of 1958 (Public Law 85-699, 72 Stat. 689), as amended, or under other federal or state statutes;

(2) do all things necessary or desirable to secure aid, assistance, loans, and other financing from its members (whether as member loans or otherwise);

(3) issue bonds, debentures, notes, or other evidences of indebtedness, whether secured or unsecured, and secure any of those instruments by a mortgage, pledge, deed of trust, or other lien on any property, franchise, rights, or privileges of the credit corporation, without securing member or shareholder approval;

(4) lend money to, and guarantee, endorse, or act as surety on the bonds, notes, contracts, or other obligations of, or otherwise assist financially, any person, firm, corporation, limited liability company, or association;

(5) establish and regulate the terms and conditions of transactions entered into under subdivision (4) and the charges for interest and services connected with those transactions;

(6) acquire any interest in the goodwill, business rights, real and personal property, and other assets of any persons or corporations and assume, undertake, or pay the obligations, debts, and liabilities of that person or corporation;

(7) acquire improved or unimproved real estate for the purpose of constructing industrial plants or other business establishments;

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(8) acquire, construct, reconstruct, alter, repair, maintain, operate, sell, convey, transfer, lease, or otherwise dispose of industrial plants or business establishments;

(9) acquire, subscribe for, own, sell, hold, assign, transfer, mortgage, pledge, or otherwise dispose of the stock, shares, bonds, debentures, notes, or other securities and evidences of interest in or indebtedness of any person or corporation and, while the owner or holder of such a property interest, exercise all the rights, powers, and privileges of ownership, including the right to vote;

(10) acquire and dispose of an interest in any other type of real or personal property, including any real or personal property acquired by the corporation from time to time in the satisfaction of debts or as a result of the enforcement of obligations;

(11) mortgage, pledge, or otherwise encumber any property, right, or thing of value acquired by the credit corporation as security for the payment of any part of the purchase price for the acquired item;

(12) cooperate with and avail itself of the facilities of the United States Department of Commerce, the Indiana ~~department of commerce~~, **economic development corporation**, and any other similar state or federal governmental agencies;

(13) cooperate with, assist, and otherwise encourage organizations in the various communities of Indiana in the promotion, assistance, and development of the business prosperity and economic well-being of those communities, Indiana, or any political subdivision of Indiana;

(14) make, amend, and repeal bylaws, not inconsistent with its articles of incorporation or with the laws of Indiana, for the administration and regulation of the affairs of the corporation, which bylaws may:

(A) establish internal governance procedures and standards, including procedures for voting by proxy at and for giving notice of meetings of directors and of members and shareholders, procedures and standards for the payment of dividends, and procedures for the delegation by the board of directors of its authority under the articles of incorporation and this chapter to one (1) or more committees of the board or to officers of the corporation; and

(B) give the board of directors or committees of the board the power to pass resolutions necessary or convenient to carrying out the purposes of the corporation; and

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(15) do all acts and things necessary or convenient to carrying out the powers expressly granted in this chapter.

SECTION 129. IC 34-30-2-64 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 64. ~~IC 15-7-2-5~~ **IC 15-9-12-5** (Concerning the United States and the United States Secretary of Agriculture for the transfer of assets to the commissioner of agriculture on behalf of the Indiana rural rehabilitation corporation).

SECTION 130. IC 36-1-12.5-10, AS AMENDED BY P.L.98-2002, SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 10. The governing body shall:

(1) provide to the ~~department of commerce~~ **office of energy policy** not more than sixty (60) days after the date of execution of the guaranteed energy savings contract:

- (A) a copy of the executed guaranteed energy savings contract;
- (B) the energy consumption costs before the date of execution of the guaranteed energy savings contract; and
- (C) the documentation using industry engineering standards for:

- (i) stipulated savings; and
- (ii) related capital expenditures; and

(2) annually report to the ~~department of commerce~~ **office of energy policy**, in accordance with procedures established by the ~~department of commerce~~ **office**, the savings resulting in the previous year from the guaranteed energy savings contract or utility energy efficiency program.

SECTION 131. IC 36-1-12.5-12, AS ADDED BY P.L.98-2002, SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 12. (a) An improvement that is not causally connected to an energy conservation measure may be included in a guaranteed energy savings contract if:

- (1) the total value of the improvement does not exceed fifteen percent (15%) of the total value of the guaranteed energy savings contract; and
- (2) either:
 - (A) the improvement is necessary to conform to a law, a rule, or an ordinance; or
 - (B) an analysis within the guaranteed energy savings contract demonstrates that:
 - (i) there is an economic advantage to the political subdivision in implementing an improvement as part of the guaranteed energy savings contract; and
 - (ii) the savings justification for the improvement is

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documented by industry engineering standards.

(b) The information required under subsection (a) must be reported to the ~~department of commerce~~ **office of energy policy**.

SECTION 132. IC 36-7-12-36 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 36. In order to:

(1) disseminate information describing the benefits of all economic development commissions;

(2) provide for efficient operations of all commissions; and

(3) allow the ~~department of commerce~~ **Indiana economic development corporation**, on a recommendation basis, to assist all commissions in their endeavors;

each commission shall file a report, within thirty (30) days after its initial meeting and on each subsequent January 31, with the fiscal body that it serves and with the director of the ~~department of commerce~~.

Indiana economic development corporation. These reports must be in writing ~~on a form in a format~~ prescribed by the ~~department of commerce~~ **Indiana economic development corporation** and must contain all information required in that ~~form~~ **format**.

SECTION 133. IC 36-7-14-22.2, AS AMENDED BY P.L.1-2003, SECTION 99, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 22.2. (a) The commission may sell or grant, at no cost, title to real property to an U.E.A. for the purpose of developing the real property if the following requirements are met:

(1) The U.E.A. has incorporated as a not-for-profit corporation under ~~IC 4-4-6.1-5(b)(3)~~ **IC 5-28-20-17(b)(3)**.

(2) The parcel of property to be sold or granted is located entirely within the enterprise zone for which the U.E.A. was created under ~~IC 4-4-6.1-4~~ **IC 5-28-20-16**.

(3) The U.E.A. agrees to cause development on the parcel of property within a specified period that may not exceed five (5) years from the date of the sale or grant.

(4) The U.E.A. agrees to rehabilitate or otherwise develop the property in a manner that is similar to and consistent with the use of the other properties in the enterprise zone.

(b) The commission may sell or grant, at no cost, title to real property to a community development corporation (as defined in ~~IC 4-4-28-2~~ **IC 5-28-24-2**) for the purpose of providing low or moderate income housing or other development that will benefit or serve low or moderate income families if the following requirements are met:

(1) The community development corporation has as a major corporate purpose and function the provision of housing for low

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1 and moderate income families within the geographic area in
2 which the parcel of real property is located.

3 (2) The community development corporation agrees to cause
4 development that will serve or benefit low or moderate income
5 families on the parcel of real property within a specified period,
6 which may not exceed five (5) years from the date of the sale or
7 grant.

8 (3) The community development corporation agrees that the
9 community development corporation and each applicant,
10 recipient, contractor, or subcontractor undertaking work in
11 connection with the real property will:

12 (A) use lower income project area residents as trainees and as
13 employees; and

14 (B) contract for work with business concerns located in the
15 project area or owned in substantial part by persons residing
16 in the project area;

17 to the greatest extent feasible, as determined under the standards
18 specified in 24 CFR 135.

19 (4) The community development corporation agrees to
20 rehabilitate or otherwise develop the property in a manner that is
21 similar to and consistent with the use of the other properties in the
22 area served by the community development corporation.

23 (c) To carry out the purposes of this section, the commission may
24 secure from the county under IC 6-1.1-25-9(e) parcels of property
25 acquired by the county under IC 6-1.1-24 and IC 6-1.1-25.

26 (d) Before offering any parcel of property for sale or grant, the fair
27 market value of the parcel of property must be determined by an
28 appraiser, who may be an employee of the department. However, if the
29 commission has obtained the parcel in the manner described in
30 subsection (c), an appraisal is not required. An appraisal under this
31 subsection is solely for the information of the commission and is not
32 available for public inspection.

33 (e) The commission must decide at a public meeting whether the
34 commission will sell or grant the parcel of real property. In making this
35 decision, the commission shall give substantial weight to the extent to
36 which and the terms under which the U.E.A. or community
37 development corporation will cause development on the property.

38 (f) Before conducting a meeting under subsection (g), the
39 commission shall publish a notice in accordance with IC 5-3-1
40 indicating that at a designated time the commission will consider
41 selling or granting the parcel of real property under this section. The
42 notice must state the general location of the property, including the

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street address, if any, or a common description of the property other than the legal description.

(g) If the county agrees to transfer a parcel of real property to the commission to be sold or granted under this section, the commission may conduct a meeting to sell or grant the parcel to an urban enterprise zone or to a community development corporation even though the parcel has not yet been transferred to the commission. After the hearing, the commission may adopt a resolution directing the department to take appropriate steps necessary to acquire the parcel from the county and to transfer the parcel to the U.E.A. or to the community development corporation.

(h) A conveyance of property under this section shall be made in accordance with section 22(i) of this chapter.

(i) An U.E.A. that purchases or receives real property under this section shall report the terms of the conveyance to the enterprise zone board created under ~~IC 4-4-6.1-1~~ **IC 5-28-20-5** not later than thirty (30) days after the date the conveyance of the property is made.

SECTION 134. IC 36-7-14-39, AS AMENDED BY P.L.192-2002(ss), SECTION 177, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 39. (a) As used in this section:

"Allocation area" means that part of a blighted area to which an allocation provision of a declaratory resolution adopted under section 15 of this chapter refers for purposes of distribution and allocation of property taxes.

"Base assessed value" means the following:

(1) If an allocation provision is adopted after June 30, 1995, in a declaratory resolution or an amendment to a declaratory resolution establishing an economic development area:

(A) the net assessed value of all the property as finally determined for the assessment date immediately preceding the effective date of the allocation provision of the declaratory resolution, as adjusted under subsection (h); plus

(B) to the extent that it is not included in clause (A), the net assessed value of property that is assessed as residential property under the rules of the department of local government finance, as finally determined for any assessment date after the effective date of the allocation provision.

(2) If an allocation provision is adopted after June 30, 1997, in a declaratory resolution or an amendment to a declaratory resolution establishing a blighted area:

(A) the net assessed value of all the property as finally

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determined for the assessment date immediately preceding the effective date of the allocation provision of the declaratory resolution, as adjusted under subsection (h); plus

(B) to the extent that it is not included in clause (A), the net assessed value of property that is assessed as residential property under the rules of the department of local government finance, as finally determined for any assessment date after the effective date of the allocation provision.

(3) If:

(A) an allocation provision adopted before June 30, 1995, in a declaratory resolution or an amendment to a declaratory resolution establishing a blighted area expires after June 30, 1997; and

(B) after June 30, 1997, a new allocation provision is included in an amendment to the declaratory resolution;

the net assessed value of all the property as finally determined for the assessment date immediately preceding the effective date of the allocation provision adopted after June 30, 1997, as adjusted under subsection (h).

(4) Except as provided in subdivision (5), for all other allocation areas, the net assessed value of all the property as finally determined for the assessment date immediately preceding the effective date of the allocation provision of the declaratory resolution, as adjusted under subsection (h).

(5) If an allocation area established in an economic development area before July 1, 1995, is expanded after June 30, 1995, the definition in subdivision (1) applies to the expanded portion of the area added after June 30, 1995.

(6) If an allocation area established in a blighted area before July 1, 1997, is expanded after June 30, 1997, the definition in subdivision (2) applies to the expanded portion of the area added after June 30, 1997.

Except as provided in section 39.3 of this chapter, "property taxes" means taxes imposed under IC 6-1.1 on real property. However, upon approval by a resolution of the redevelopment commission adopted before June 1, 1987, "property taxes" also includes taxes imposed under IC 6-1.1 on depreciable personal property. If a redevelopment commission adopted before June 1, 1987, a resolution to include within the definition of property taxes taxes imposed under IC 6-1.1 on depreciable personal property that has a useful life in excess of eight (8) years, the commission may by resolution determine the percentage of taxes imposed under IC 6-1.1 on all depreciable personal property

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that will be included within the definition of property taxes. However, the percentage included must not exceed twenty-five percent (25%) of the taxes imposed under IC 6-1.1 on all depreciable personal property.

(b) A declaratory resolution adopted under section 15 of this chapter before January 1, 2006, may include a provision with respect to the allocation and distribution of property taxes for the purposes and in the manner provided in this section. A declaratory resolution previously adopted may include an allocation provision by the amendment of that declaratory resolution before January 1, 2006, in accordance with the procedures required for its original adoption. A declaratory resolution or an amendment that establishes an allocation provision after June 30, 1995, must specify an expiration date for the allocation provision that may not be more than thirty (30) years after the date on which the allocation provision is established. However, if bonds or other obligations that were scheduled when issued to mature before the specified expiration date and that are payable only from allocated tax proceeds with respect to the allocation area remain outstanding as of the expiration date, the allocation provision does not expire until all of the bonds or other obligations are no longer outstanding. The allocation provision may apply to all or part of the blighted area. The allocation provision must require that any property taxes subsequently levied by or for the benefit of any public body entitled to a distribution of property taxes on taxable property in the allocation area be allocated and distributed as follows:

(1) Except as otherwise provided in this section, the proceeds of the taxes attributable to the lesser of:

(A) the assessed value of the property for the assessment date with respect to which the allocation and distribution is made; or

(B) the base assessed value;

shall be allocated to and, when collected, paid into the funds of the respective taxing units.

(2) Except as otherwise provided in this section, property tax proceeds in excess of those described in subdivision (1) shall be allocated to the redevelopment district and, when collected, paid into an allocation fund for that allocation area that may be used by the redevelopment district only to do one (1) or more of the following:

(A) Pay the principal of and interest on any obligations payable solely from allocated tax proceeds which are incurred by the redevelopment district for the purpose of financing or refinancing the redevelopment of that allocation area.

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(B) Establish, augment, or restore the debt service reserve for bonds payable solely or in part from allocated tax proceeds in that allocation area.

(C) Pay the principal of and interest on bonds payable from allocated tax proceeds in that allocation area and from the special tax levied under section 27 of this chapter.

(D) Pay the principal of and interest on bonds issued by the unit to pay for local public improvements in or serving that allocation area.

(E) Pay premiums on the redemption before maturity of bonds payable solely or in part from allocated tax proceeds in that allocation area.

(F) Make payments on leases payable from allocated tax proceeds in that allocation area under section 25.2 of this chapter.

(G) Reimburse the unit for expenditures made by it for local public improvements (which include buildings, parking facilities, and other items described in section 25.1(a) of this chapter) in or serving that allocation area.

(H) Reimburse the unit for rentals paid by it for a building or parking facility in or serving that allocation area under any lease entered into under IC 36-1-10.

(I) Pay all or a portion of a property tax replacement credit to taxpayers in an allocation area as determined by the redevelopment commission. This credit equals the amount determined under the following STEPS for each taxpayer in a taxing district (as defined in IC 6-1.1-1-20) that contains all or part of the allocation area:

STEP ONE: Determine that part of the sum of the amounts under IC 6-1.1-21-2(g)(1)(A), IC 6-1.1-21-2(g)(2), IC 6-1.1-21-2(g)(3), IC 6-1.1-21-2(g)(4), and IC 6-1.1-21-2(g)(5) that is attributable to the taxing district.

STEP TWO: Divide:

~~(A)~~ (i) that part of each county's eligible property tax replacement amount (as defined in IC 6-1.1-21-2) for that year as determined under IC 6-1.1-21-4 that is attributable to the taxing district; by

~~(B)~~ (ii) the STEP ONE sum.

STEP THREE: Multiply:

~~(A)~~ (i) the STEP TWO quotient; times

~~(B)~~ (ii) the total amount of the taxpayer's taxes (as defined in IC 6-1.1-21-2) levied in the taxing district that have been

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allocated during that year to an allocation fund under this section.

If not all the taxpayers in an allocation area receive the credit in full, each taxpayer in the allocation area is entitled to receive the same proportion of the credit. A taxpayer may not receive a credit under this section and a credit under section 39.5 of this chapter in the same year.

(J) Pay expenses incurred by the redevelopment commission for local public improvements that are in the allocation area or serving the allocation area. Public improvements include buildings, parking facilities, and other items described in section 25.1(a) of this chapter.

(K) Reimburse public and private entities for expenses incurred in training employees of industrial facilities that are located:

- (i) in the allocation area; and
- (ii) on a parcel of real property that has been classified as industrial property under the rules of the department of local government finance.

However, the total amount of money spent for this purpose in any year may not exceed the total amount of money in the allocation fund that is attributable to property taxes paid by the industrial facilities described in this clause. The reimbursements under this clause must be made within three (3) years after the date on which the investments that are the basis for the increment financing are made.

The allocation fund may not be used for operating expenses of the commission.

(3) Except as provided in subsection (g), before July 15 of each year the commission shall do the following:

(A) Determine the amount, if any, by which the base assessed value when multiplied by the estimated tax rate of the allocation area will exceed the amount of assessed value needed to produce the property taxes necessary to make, when due, principal and interest payments on bonds described in subdivision (2) plus the amount necessary for other purposes described in subdivision (2).

(B) Notify the county auditor of the amount, if any, of the amount of excess assessed value that the commission has determined may be allocated to the respective taxing units in the manner prescribed in subdivision (1). The commission may not authorize an allocation of assessed value to the

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1 respective taxing units under this subdivision if to do so would
 2 endanger the interests of the holders of bonds described in
 3 subdivision (2) or lessors under section 25.3 of this chapter.

4 (c) For the purpose of allocating taxes levied by or for any taxing
 5 unit or units, the assessed value of taxable property in a territory in the
 6 allocation area that is annexed by any taxing unit after the effective
 7 date of the allocation provision of the declaratory resolution is the
 8 lesser of:

9 (1) the assessed value of the property for the assessment date with
 10 respect to which the allocation and distribution is made; or

11 (2) the base assessed value.

12 (d) Property tax proceeds allocable to the redevelopment district
 13 under subsection (b)(2) may, subject to subsection (b)(3), be
 14 irrevocably pledged by the redevelopment district for payment as set
 15 forth in subsection (b)(2).

16 (e) Notwithstanding any other law, each assessor shall, upon
 17 petition of the redevelopment commission, reassess the taxable
 18 property situated upon or in, or added to, the allocation area, effective
 19 on the next assessment date after the petition.

20 (f) Notwithstanding any other law, the assessed value of all taxable
 21 property in the allocation area, for purposes of tax limitation, property
 22 tax replacement, and formulation of the budget, tax rate, and tax levy
 23 for each political subdivision in which the property is located is the
 24 lesser of:

25 (1) the assessed value of the property as valued without regard to
 26 this section; or

27 (2) the base assessed value.

28 (g) If any part of the allocation area is located in an enterprise zone
 29 created under ~~IC 4-4-6.1~~, **IC 5-28-20**, the unit that designated the
 30 allocation area shall create funds as specified in this subsection. A unit
 31 that has obligations, bonds, or leases payable from allocated tax
 32 proceeds under subsection (b)(2) shall establish an allocation fund for
 33 the purposes specified in subsection (b)(2) and a special zone fund.
 34 Such a unit shall, until the end of the enterprise zone phase out period,
 35 deposit each year in the special zone fund any amount in the allocation
 36 fund derived from property tax proceeds in excess of those described
 37 in subsection (b)(1) from property located in the enterprise zone that
 38 exceeds the amount sufficient for the purposes specified in subsection
 39 (b)(2) for the year. The amount sufficient for purposes specified in
 40 subsection (b)(2) for the year shall be determined based on the pro rata
 41 portion of such current property tax proceeds from the portion of the
 42 enterprise zone that is within the allocation area as compared to all

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such current property tax proceeds derived from the allocation area. A unit that has no obligations, bonds, or leases payable from allocated tax proceeds under subsection (b)(2) shall establish a special zone fund and deposit all the property tax proceeds in excess of those described in subsection (b)(1) in the fund derived from property tax proceeds in excess of those described in subsection (b)(1) from property located in the enterprise zone. The unit that creates the special zone fund shall use the fund (based on the recommendations of the U.E.A.) for programs in job training, job enrichment, and basic skill development that are designed to benefit residents and employers in the enterprise zone or other purposes specified in subsection (b)(2), except that where reference is made in subsection (b)(2) to allocation area it shall refer for purposes of payments from the special zone fund only to that portion of the allocation area that is also located in the enterprise zone. Those programs shall reserve at least one-half (1/2) of their enrollment in any session for residents of the enterprise zone.

(h) The state board of accounts and department of local government finance shall make the rules and prescribe the forms and procedures that they consider expedient for the implementation of this chapter. After each general reassessment under IC 6-1.1-4, the department of local government finance shall adjust the base assessed value one (1) time to neutralize any effect of the general reassessment on the property tax proceeds allocated to the redevelopment district under this section. However, the adjustment may not include the effect of property tax abatements under IC 6-1.1-12.1, and the adjustment may not produce less property tax proceeds allocable to the redevelopment district under subsection (b)(2) than would otherwise have been received if the general reassessment had not occurred. The department of local government finance may prescribe procedures for county and township officials to follow to assist the department in making the adjustments.

SECTION 135. IC 36-7-14-44.2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 44.2. On a quadrennial basis, the general assembly shall provide for an evaluation of the provisions of this chapter, giving first priority to using the Indiana economic development council established under ~~IC 4-3-14-4~~ **IC 5-28-33**. The evaluation shall be a fiscal analysis, including an assessment of the effectiveness of the provisions of this chapter to:

- (1) create new jobs;
- (2) increase income; and
- (3) increase the tax base;

in the jurisdiction of the unit. The fiscal analysis may also consider

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1 impacts on tax burdens borne by property owners. The fiscal analysis
 2 may also include a review of the practices and experiences of other
 3 states or political subdivisions with laws similar to the provisions of
 4 this chapter. The president of the Indiana economic development
 5 council established under ~~IC 4-3-14-4~~ **IC 5-28-33** or another person or
 6 entity designated by the general assembly shall submit a report on the
 7 evaluation to the governor, the president pro tempore of the senate, and
 8 the speaker of the house of representatives before December 1, 1999,
 9 and every fourth year thereafter. **The report submitted to the**
 10 **president pro tempore of the senate and the speaker of the house**
 11 **of representatives must be in an electronic format under IC 5-14-6.**

12 SECTION 136. IC 36-7-15.1-15.2, AS ADDED BY P.L.113-2002,
 13 SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 14 JULY 1, 2005]: Sec. 15.2. (a) The commission may sell or grant, at no
 15 cost, title to real property to an U.E.A. for the purpose of developing
 16 the real property if the following requirements are met:

17 (1) The U.E.A. has incorporated as a not-for-profit corporation
 18 under ~~IC 4-4-6.1-5(b)(3)~~ **IC 5-28-20-17(b)(3)**.

19 (2) The parcel of property to be sold or granted is located entirely
 20 within the enterprise zone for which the U.E.A. was created under
 21 ~~IC 4-4-6.1-4~~ **IC 5-28-20-16**.

22 (3) The U.E.A. agrees to cause development on the parcel of
 23 property within a specified period that may not exceed five (5)
 24 years from the date of the sale or grant.

25 (4) The U.E.A. agrees to rehabilitate or otherwise develop the
 26 property in a manner that is similar to and consistent with the use
 27 of the other properties in the enterprise zone.

28 (b) To carry out the purposes of this section, the commission may
 29 secure from the county under IC 6-1.1-25-9(e) parcels of property
 30 acquired by the county under IC 6-1.1-24 and IC 6-1.1-25.

31 (c) Before offering any parcel of property for sale or grant, the fair
 32 market value of the parcel of property must be determined by an
 33 appraiser, who may be an employee of the department. However, if the
 34 commission has obtained the parcel in the manner described in
 35 subsection (b), an appraisal is not required. An appraisal under this
 36 subsection is solely for the information of the commission and is not
 37 available for public inspection.

38 (d) The commission must decide at a public meeting whether the
 39 commission will sell or grant the parcel of real property. In making this
 40 decision, the commission shall give substantial weight to the extent to
 41 which and the terms under which the U.E.A. will cause development
 42 on the property.

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(e) Before conducting a meeting under subsection (d), the commission shall publish a notice in accordance with IC 5-3-1 indicating that at a designated time the commission will consider selling or granting the parcel of real property under this section. The notice must state the general location of the property, including the street address, if any, or a common description of the property other than the legal description.

(f) If the county agrees to transfer a parcel of real property to the commission to be sold or granted under this section, the commission may conduct a meeting to sell or grant the parcel to an urban enterprise zone even though the parcel has not yet been transferred to the commission. After the hearing, the commission may adopt a resolution directing the department to take appropriate steps necessary to acquire the parcel from the county and to transfer the parcel to the U.E.A..

(g) A conveyance of property to an U.E.A. under this section shall be made in accordance with section 15(i) of this chapter.

(h) An U.E.A. that purchases or receives real property under this section shall report the terms of the conveyance to the enterprise zone board created under ~~IC 4-4-6.1-1~~ **IC 5-28-20-5** not later than thirty (30) days after the date the conveyance of the property is made.

SECTION 137. IC 36-7-15.1-26, AS AMENDED BY P.L.90-2002, SECTION 479, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 26. (a) As used in this section:

"Allocation area" means that part of a blighted area to which an allocation provision of a resolution adopted under section 8 of this chapter refers for purposes of distribution and allocation of property taxes.

"Base assessed value" means the following:

(1) If an allocation provision is adopted after June 30, 1995, in a declaratory resolution or an amendment to a declaratory resolution establishing an economic development area:

(A) the net assessed value of all the property as finally determined for the assessment date immediately preceding the effective date of the allocation provision of the declaratory resolution, as adjusted under subsection (h); plus

(B) to the extent that it is not included in clause (A), the net assessed value of property that is assessed as residential property under the rules of the department of local government finance, as finally determined for any assessment date after the effective date of the allocation provision.

(2) If an allocation provision is adopted after June 30, 1997, in a declaratory resolution or an amendment to a declaratory

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1 resolution establishing a blighted area:

2 (A) the net assessed value of all the property as finally
3 determined for the assessment date immediately preceding the
4 effective date of the allocation provision of the declaratory
5 resolution, as adjusted under subsection (h); plus

6 (B) to the extent that it is not included in clause (A), the net
7 assessed value of property that is assessed as residential
8 property under the rules of the department of local government
9 finance, as finally determined for any assessment date after the
10 effective date of the allocation provision.

11 (3) If:

12 (A) an allocation provision adopted before June 30, 1995, in
13 a declaratory resolution or an amendment to a declaratory
14 resolution establishing a blighted area expires after June 30,
15 1997; and

16 (B) after June 30, 1997, a new allocation provision is included
17 in an amendment to the declaratory resolution;

18 the net assessed value of all the property as finally determined for
19 the assessment date immediately preceding the effective date of
20 the allocation provision adopted after June 30, 1997, as adjusted
21 under subsection (h).

22 (4) Except as provided in subdivision (5), for all other allocation
23 areas, the net assessed value of all the property as finally
24 determined for the assessment date immediately preceding the
25 effective date of the allocation provision of the declaratory
26 resolution, as adjusted under subsection (h).

27 (5) If an allocation area established in an economic development
28 area before July 1, 1995, is expanded after June 30, 1995, the
29 definition in subdivision (1) applies to the expanded portion of the
30 area added after June 30, 1995.

31 (6) If an allocation area established in a blighted area before July
32 1, 1997, is expanded after June 30, 1997, the definition in
33 subdivision (2) applies to the expanded portion of the area added
34 after June 30, 1997.

35 Except as provided in section 26.2 of this chapter, "property taxes"
36 means taxes imposed under IC 6-1.1 on real property. However, upon
37 approval by a resolution of the redevelopment commission adopted
38 before June 1, 1987, "property taxes" also includes taxes imposed
39 under IC 6-1.1 on depreciable personal property. If a redevelopment
40 commission adopted before June 1, 1987, a resolution to include within
41 the definition of property taxes taxes imposed under IC 6-1.1 on
42 depreciable personal property that has a useful life in excess of eight

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(8) years, the commission may by resolution determine the percentage of taxes imposed under IC 6-1.1 on all depreciable personal property that will be included within the definition of property taxes. However, the percentage included must not exceed twenty-five percent (25%) of the taxes imposed under IC 6-1.1 on all depreciable personal property.

(b) A resolution adopted under section 8 of this chapter before January 1, 2006, may include a provision with respect to the allocation and distribution of property taxes for the purposes and in the manner provided in this section. A resolution previously adopted may include an allocation provision by the amendment of that resolution before January 1, 2006, in accordance with the procedures required for its original adoption. A declaratory resolution or an amendment that establishes an allocation provision after June 30, 1995, must specify an expiration date for the allocation provision that may not be more than thirty (30) years after the date on which the allocation provision is established. However, if bonds or other obligations that were scheduled when issued to mature before the specified expiration date and that are payable only from allocated tax proceeds with respect to the allocation area remain outstanding as of the expiration date, the allocation provision does not expire until all of the bonds or other obligations are no longer outstanding. The allocation provision may apply to all or part of the blighted area. The allocation provision must require that any property taxes subsequently levied by or for the benefit of any public body entitled to a distribution of property taxes on taxable property in the allocation area be allocated and distributed as follows:

(1) Except as otherwise provided in this section, the proceeds of the taxes attributable to the lesser of:

(A) the assessed value of the property for the assessment date with respect to which the allocation and distribution is made; or

(B) the base assessed value;

shall be allocated to and, when collected, paid into the funds of the respective taxing units.

(2) Except as otherwise provided in this section, property tax proceeds in excess of those described in subdivision (1) shall be allocated to the redevelopment district and, when collected, paid into a special fund for that allocation area that may be used by the redevelopment district only to do one (1) or more of the following:

(A) Pay the principal of and interest on any obligations payable solely from allocated tax proceeds that are incurred by the redevelopment district for the purpose of financing or

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refinancing the redevelopment of that allocation area.

(B) Establish, augment, or restore the debt service reserve for bonds payable solely or in part from allocated tax proceeds in that allocation area.

(C) Pay the principal of and interest on bonds payable from allocated tax proceeds in that allocation area and from the special tax levied under section 19 of this chapter.

(D) Pay the principal of and interest on bonds issued by the consolidated city to pay for local public improvements in that allocation area.

(E) Pay premiums on the redemption before maturity of bonds payable solely or in part from allocated tax proceeds in that allocation area.

(F) Make payments on leases payable from allocated tax proceeds in that allocation area under section 17.1 of this chapter.

(G) Reimburse the consolidated city for expenditures for local public improvements (which include buildings, parking facilities, and other items set forth in section 17 of this chapter) in that allocation area.

(H) Reimburse the unit for rentals paid by it for a building or parking facility in that allocation area under any lease entered into under IC 36-1-10.

(I) Reimburse public and private entities for expenses incurred in training employees of industrial facilities that are located:

(i) in the allocation area; and

(ii) on a parcel of real property that has been classified as industrial property under the rules of the department of local government finance.

However, the total amount of money spent for this purpose in any year may not exceed the total amount of money in the allocation fund that is attributable to property taxes paid by the industrial facilities described in this clause. The reimbursements under this clause must be made within three (3) years after the date on which the investments that are the basis for the increment financing are made.

The special fund may not be used for operating expenses of the commission.

(3) Before July 15 of each year, the commission shall do the following:

(A) Determine the amount, if any, by which the base assessed value when multiplied by the estimated tax rate of the

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1 allocated area will exceed the amount of assessed value
 2 needed to provide the property taxes necessary to make, when
 3 due, principal and interest payments on bonds described in
 4 subdivision (2) plus the amount necessary for other purposes
 5 described in subdivision (2) and subsection (g).

6 (B) Notify the county auditor of the amount, if any, of excess
 7 assessed value that the commission has determined may be
 8 allocated to the respective taxing units in the manner
 9 prescribed in subdivision (1).

10 The commission may not authorize an allocation to the respective
 11 taxing units under this subdivision if to do so would endanger the
 12 interests of the holders of bonds described in subdivision (2).

13 (c) For the purpose of allocating taxes levied by or for any taxing
 14 unit or units, the assessed value of taxable property in a territory in the
 15 allocation area that is annexed by any taxing unit after the effective
 16 date of the allocation provision of the resolution is the lesser of:

- 17 (1) the assessed value of the property for the assessment date with
 18 respect to which the allocation and distribution is made; or
 19 (2) the base assessed value.

20 (d) Property tax proceeds allocable to the redevelopment district
 21 under subsection (b)(2) may, subject to subsection (b)(3), be
 22 irrevocably pledged by the redevelopment district for payment as set
 23 forth in subsection (b)(2).

24 (e) Notwithstanding any other law, each assessor shall, upon
 25 petition of the commission, reassess the taxable property situated upon
 26 or in, or added to, the allocation area, effective on the next assessment
 27 date after the petition.

28 (f) Notwithstanding any other law, the assessed value of all taxable
 29 property in the allocation area, for purposes of tax limitation, property
 30 tax replacement, and formulation of the budget, tax rate, and tax levy
 31 for each political subdivision in which the property is located is the
 32 lesser of:

- 33 (1) the assessed value of the property as valued without regard to
 34 this section; or
 35 (2) the base assessed value.

36 (g) If any part of the allocation area is located in an enterprise zone
 37 created under ~~IC 4-4-6.1~~, **IC 5-28-20**, the unit that designated the
 38 allocation area shall create funds as specified in this subsection. A unit
 39 that has obligations, bonds, or leases payable from allocated tax
 40 proceeds under subsection (b)(2) shall establish an allocation fund for
 41 the purposes specified in subsection (b)(2) and a special zone fund.
 42 Such a unit shall, until the end of the enterprise zone phase out period,

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1 deposit each year in the special zone fund the amount in the allocation
 2 fund derived from property tax proceeds in excess of those described
 3 in subsection (b)(1) from property located in the enterprise zone that
 4 exceeds the amount sufficient for the purposes specified in subsection
 5 (b)(2) for the year. A unit that has no obligations, bonds, or leases
 6 payable from allocated tax proceeds under subsection (b)(2) shall
 7 establish a special zone fund and deposit all the property tax proceeds
 8 in excess of those described in subsection (b)(1) in the fund derived
 9 from property tax proceeds in excess of those described in subsection
 10 (b)(1) from property located in the enterprise zone. The unit that
 11 creates the special zone fund shall use the fund, based on the
 12 recommendations of the U.E.A., for one (1) or more of the following
 13 purposes:

14 (1) To pay for programs in job training, job enrichment, and basic
 15 skill development designed to benefit residents and employers in
 16 the enterprise zone. The programs must reserve at least one-half
 17 (1/2) of the enrollment in any session for residents of the
 18 enterprise zone.

19 (2) To make loans and grants for the purpose of stimulating
 20 business activity in the enterprise zone or providing employment
 21 for enterprise zone residents in the enterprise zone. These loans
 22 and grants may be made to the following:

23 (A) Businesses operating in the enterprise zone.

24 (B) Businesses that will move their operations to the enterprise
 25 zone if such a loan or grant is made.

26 (3) To provide funds to carry out other purposes specified in
 27 subsection (b)(2). However, where reference is made in
 28 subsection (b)(2) to the allocation area, the reference refers for
 29 purposes of payments from the special zone fund only to that
 30 portion of the allocation area that is also located in the enterprise
 31 zone.

32 (h) The state board of accounts and department of local government
 33 finance shall make the rules and prescribe the forms and procedures
 34 that they consider expedient for the implementation of this chapter.
 35 After each general reassessment under IC 6-1.1-4, the department of
 36 local government finance shall adjust the base assessed value one (1)
 37 time to neutralize any effect of the general reassessment on the
 38 property tax proceeds allocated to the redevelopment district under this
 39 section. However, the adjustment may not include the effect of property
 40 tax abatements under IC 6-1.1-12.1, and the adjustment may not
 41 produce less property tax proceeds allocable to the redevelopment
 42 district under subsection (b)(2) than would otherwise have been

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received if the general reassessment had not occurred. The department of local government finance may prescribe procedures for county and township officials to follow to assist the department in making the adjustments.

SECTION 138. IC 36-7-15.1-36.2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 36.2. On a quadrennial basis, the general assembly shall provide for an evaluation of the provisions of this chapter, giving first priority to using the Indiana economic development council established under ~~IC 4-3-14-4~~ **IC 5-28-33**. The evaluation must be a fiscal analysis, including an assessment of the effectiveness of the provisions of this chapter to:

- (1) create new jobs;
- (2) increase income; and
- (3) increase the tax base;

in the jurisdiction of the county. The fiscal analysis may also consider impacts on tax burdens borne by property owners. The fiscal analysis may also include a review of the practices and experiences of other states or political subdivisions with laws similar to the provisions of this chapter. The president of the Indiana economic development council established under ~~IC 4-3-14-4~~ **IC 5-28-33** or another person or entity designated by the general assembly shall submit a report on the evaluation to the governor, the president pro tempore of the senate, and the speaker of the house of representatives before December 1, 1999, and every fourth year thereafter.

SECTION 139. IC 36-7-15.1-53, AS AMENDED BY P.L.90-2002, SECTION 484, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 53. (a) As used in this section:

"Allocation area" means that part of a blighted area to which an allocation provision of a resolution adopted under section 40 of this chapter refers for purposes of distribution and allocation of property taxes.

"Base assessed value" means:

- (1) the net assessed value of all the property as finally determined for the assessment date immediately preceding the effective date of the allocation provision of the declaratory resolution, as adjusted under subsection (h); plus
- (2) to the extent that it is not included in subdivision (1), the net assessed value of property that is assessed as residential property under the rules of the department of local government finance, as finally determined for any assessment date after the effective date of the allocation provision.

Except as provided in section 55 of this chapter, "property taxes"

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means taxes imposed under IC 6-1.1 on real property.

(b) A resolution adopted under section 40 of this chapter before January 1, 2006, may include a provision with respect to the allocation and distribution of property taxes for the purposes and in the manner provided in this section. A resolution previously adopted may include an allocation provision by the amendment of that resolution before January 1, 2006, in accordance with the procedures required for its original adoption. A declaratory resolution or an amendment that establishes an allocation provision must be approved by resolution of the legislative body of the excluded city and must specify an expiration date for the allocation provision that may not be more than thirty (30) years after the date on which the allocation provision is established. However, if bonds or other obligations that were scheduled when issued to mature before the specified expiration date and that are payable only from allocated tax proceeds with respect to the allocation area remain outstanding as of the expiration date, the allocation provision does not expire until all of the bonds or other obligations are no longer outstanding. The allocation provision may apply to all or part of the blighted area. The allocation provision must require that any property taxes subsequently levied by or for the benefit of any public body entitled to a distribution of property taxes on taxable property in the allocation area be allocated and distributed as follows:

(1) Except as otherwise provided in this section, the proceeds of the taxes attributable to the lesser of:

(A) the assessed value of the property for the assessment date with respect to which the allocation and distribution is made; or

(B) the base assessed value;

shall be allocated to and, when collected, paid into the funds of the respective taxing units.

(2) Except as otherwise provided in this section, property tax proceeds in excess of those described in subdivision (1) shall be allocated to the redevelopment district and, when collected, paid into a special fund for that allocation area that may be used by the redevelopment district only to do one (1) or more of the following:

(A) Pay the principal of and interest on any obligations payable solely from allocated tax proceeds that are incurred by the redevelopment district for the purpose of financing or refinancing the redevelopment of that allocation area.

(B) Establish, augment, or restore the debt service reserve for bonds payable solely or in part from allocated tax proceeds in

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that allocation area.

(C) Pay the principal of and interest on bonds payable from allocated tax proceeds in that allocation area and from the special tax levied under section 50 of this chapter.

(D) Pay the principal of and interest on bonds issued by the excluded city to pay for local public improvements in that allocation area.

(E) Pay premiums on the redemption before maturity of bonds payable solely or in part from allocated tax proceeds in that allocation area.

(F) Make payments on leases payable from allocated tax proceeds in that allocation area under section 46 of this chapter.

(G) Reimburse the excluded city for expenditures for local public improvements (which include buildings, park facilities, and other items set forth in section 45 of this chapter) in that allocation area.

(H) Reimburse the unit for rentals paid by it for a building or parking facility in that allocation area under any lease entered into under IC 36-1-10.

(I) Reimburse public and private entities for expenses incurred in training employees of industrial facilities that are located:

(i) in the allocation area; and

(ii) on a parcel of real property that has been classified as industrial property under the rules of the department of local government finance.

However, the total amount of money spent for this purpose in any year may not exceed the total amount of money in the allocation fund that is attributable to property taxes paid by the industrial facilities described in this clause. The reimbursements under this clause must be made within three (3) years after the date on which the investments that are the basis for the increment financing are made.

The special fund may not be used for operating expenses of the commission.

(3) Before July 15 of each year, the commission shall do the following:

(A) Determine the amount, if any, by which property taxes payable to the allocation fund in the following year will exceed the amount of assessed value needed to provide the property taxes necessary to make, when due, principal and interest payments on bonds described in subdivision (2) plus the

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amount necessary for other purposes described in subdivision (2) and subsection (g).

(B) Notify the county auditor of the amount, if any, of excess assessed value that the commission has determined may be allocated to the respective taxing units in the manner prescribed in subdivision (1).

The commission may not authorize an allocation to the respective taxing units under this subdivision if to do so would endanger the interests of the holders of bonds described in subdivision (2).

(c) For the purpose of allocating taxes levied by or for any taxing unit or units, the assessed value of taxable property in a territory in the allocation area that is annexed by any taxing unit after the effective date of the allocation provision of the resolution is the lesser of:

(1) the assessed value of the property for the assessment date with respect to which the allocation and distribution is made; or

(2) the base assessed value.

(d) Property tax proceeds allocable to the redevelopment district under subsection (b)(2) may, subject to subsection (b)(3), be irrevocably pledged by the redevelopment district for payment as set forth in subsection (b)(2).

(e) Notwithstanding any other law, each assessor shall, upon petition of the commission, reassess the taxable property situated upon or in, or added to, the allocation area, effective on the next assessment date after the petition.

(f) Notwithstanding any other law, the assessed value of all taxable property in the allocation area, for purposes of tax limitation, property tax replacement, and formulation of the budget, tax rate, and tax levy for each political subdivision in which the property is located, is the lesser of:

(1) the assessed value of the property as valued without regard to this section; or

(2) the base assessed value.

(g) If any part of the allocation area is located in an enterprise zone created under ~~IC 4-4-6.1~~, **IC 5-28-20**, the unit that designated the allocation area shall create funds as specified in this subsection. A unit that has obligations, bonds, or leases payable from allocated tax proceeds under subsection (b)(2) shall establish an allocation fund for the purposes specified in subsection (b)(2) and a special zone fund. Such a unit shall, until the end of the enterprise zone phase out period, deposit each year in the special zone fund the amount in the allocation fund derived from property tax proceeds in excess of those described in subsection (b)(1) from property located in the enterprise zone that

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exceeds the amount sufficient for the purposes specified in subsection (b)(2) for the year. A unit that has no obligations, bonds, or leases payable from allocated tax proceeds under subsection (b)(2) shall establish a special zone fund and deposit all the property tax proceeds in excess of those described in subsection (b)(1) in the fund derived from property tax proceeds in excess of those described in subsection (b)(1) from property located in the enterprise zone. The unit that creates the special zone fund shall use the fund, based on the recommendations of the U.E.A., for one (1) or more of the following purposes:

(1) To pay for programs in job training, job enrichment, and basic skill development designed to benefit residents and employers in the enterprise zone. The programs must reserve at least one-half (1/2) of the enrollment in any session for residents of the enterprise zone.

(2) To make loans and grants for the purpose of stimulating business activity in the enterprise zone or providing employment for enterprise zone residents in an enterprise zone. These loans and grants may be made to the following:

(A) Businesses operating in the enterprise zone.

(B) Businesses that will move their operations to the enterprise zone if such a loan or grant is made.

(3) To provide funds to carry out other purposes specified in subsection (b)(2). However, where reference is made in subsection (b)(2) to the allocation area, the reference refers, for purposes of payments from the special zone fund, only to that part of the allocation area that is also located in the enterprise zone.

(h) The state board of accounts and department of local government finance shall make the rules and prescribe the forms and procedures that they consider expedient for the implementation of this chapter. After each general reassessment under IC 6-1.1-4, the department of local government finance shall adjust the base assessed value one (1) time to neutralize any effect of the general reassessment on the property tax proceeds allocated to the redevelopment district under this section. However, the adjustment may not include the effect of property tax abatements under IC 6-1.1-12.1, and the adjustment may not produce less property tax proceeds allocable to the redevelopment district under subsection (b)(2) than would otherwise have been received if the general reassessment had not occurred. The department of local government finance may prescribe procedures for county and township officials to follow to assist the department in making the adjustments.

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1 SECTION 140. IC 36-7-30-25, AS AMENDED BY
 2 P.L.192-2002(ss), SECTION 185, IS AMENDED TO READ AS
 3 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 25. (a) The following
 4 definitions apply throughout this section:

5 (1) "Allocation area" means that part of a military base reuse area
 6 to which an allocation provision of a declaratory resolution
 7 adopted under section 10 of this chapter refers for purposes of
 8 distribution and allocation of property taxes.

9 (2) "Base assessed value" means:

10 (A) the net assessed value of all the property as finally
 11 determined for the assessment date immediately preceding the
 12 adoption date of the allocation provision of the declaratory
 13 resolution, as adjusted under subsection (h); plus

14 (B) to the extent that it is not included in clause (A) or (C), the
 15 net assessed value of any and all parcels or classes of parcels
 16 identified as part of the base assessed value in the declaratory
 17 resolution or an amendment thereto, as finally determined for
 18 any subsequent assessment date; plus

19 (C) to the extent that it is not included in clause (A) or (B), the
 20 net assessed value of property that is assessed as residential
 21 property under the rules of the department of local government
 22 finance, as finally determined for any assessment date after the
 23 effective date of the allocation provision.

24 Clause (C) applies only to allocation areas established in a
 25 military reuse area after June 30, 1997, and to the portion of an
 26 allocation area that was established before June 30, 1997, and that
 27 is added to an existing allocation area after June 30, 1997.

28 (3) "Property taxes" means taxes imposed under IC 6-1.1 on real
 29 property.

30 (b) A declaratory resolution adopted under section 10 of this chapter
 31 before the date set forth in IC 36-7-14-39(b) pertaining to declaratory
 32 resolutions adopted under IC 36-7-14-15 may include a provision with
 33 respect to the allocation and distribution of property taxes for the
 34 purposes and in the manner provided in this section. A declaratory
 35 resolution previously adopted may include an allocation provision by
 36 the amendment of that declaratory resolution in accordance with the
 37 procedures set forth in section 13 of this chapter. The allocation
 38 provision may apply to all or part of the military base reuse area. The
 39 allocation provision must require that any property taxes subsequently
 40 levied by or for the benefit of any public body entitled to a distribution
 41 of property taxes on taxable property in the allocation area be allocated
 42 and distributed as follows:

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(1) Except as otherwise provided in this section, the proceeds of the taxes attributable to the lesser of:

(A) the assessed value of the property for the assessment date with respect to which the allocation and distribution is made; or

(B) the base assessed value; shall be allocated to and, when collected, paid into the funds of the respective taxing units.

(2) Except as otherwise provided in this section, property tax proceeds in excess of those described in subdivision (1) shall be allocated to the military base reuse district and, when collected, paid into an allocation fund for that allocation area that may be used by the military base reuse district and only to do one (1) or more of the following:

(A) Pay the principal of and interest and redemption premium on any obligations incurred by the military base reuse district or any other entity for the purpose of financing or refinancing military base reuse activities in or directly serving or benefiting that allocation area.

(B) Establish, augment, or restore the debt service reserve for bonds payable solely or in part from allocated tax proceeds in that allocation area or from other revenues of the reuse authority, including lease rental revenues.

(C) Make payments on leases payable solely or in part from allocated tax proceeds in that allocation area.

(D) Reimburse any other governmental body for expenditures made for local public improvements (or structures) in or directly serving or benefiting that allocation area.

(E) Pay all or a part of a property tax replacement credit to taxpayers in an allocation area as determined by the reuse authority. This credit equals the amount determined under the following STEPS for each taxpayer in a taxing district (as defined in IC 6-1.1-1-20) that contains all or part of the allocation area:

STEP ONE: Determine that part of the sum of the amounts under IC 6-1.1-21-2(g)(1)(A), IC 6-1.1-21-2(g)(2), IC 6-1.1-21-2(g)(3), IC 6-1.1-21-2(g)(4), and IC 6-1.1-21-2(g)(5) that is attributable to the taxing district.

STEP TWO: Divide:

(i) that part of each county's eligible property tax replacement amount (as defined in IC 6-1.1-21-2) for that year as determined under IC 6-1.1-21-4 that is attributable

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to the taxing district; by

(ii) the STEP ONE sum.

STEP THREE: Multiply:

(i) the STEP TWO quotient; times

(ii) the total amount of the taxpayer's taxes (as defined in IC 6-1.1-21-2) levied in the taxing district that have been allocated during that year to an allocation fund under this section.

If not all the taxpayers in an allocation area receive the credit in full, each taxpayer in the allocation area is entitled to receive the same proportion of the credit. A taxpayer may not receive a credit under this section and a credit under section 27 of this chapter in the same year.

(F) Pay expenses incurred by the reuse authority for local public improvements or structures that were in the allocation area or directly serving or benefiting the allocation area.

(G) Reimburse public and private entities for expenses incurred in training employees of industrial facilities that are located:

(i) in the allocation area; and

(ii) on a parcel of real property that has been classified as industrial property under the rules of the department of local government finance.

However, the total amount of money spent for this purpose in any year may not exceed the total amount of money in the allocation fund that is attributable to property taxes paid by the industrial facilities described in this clause. The reimbursements under this clause must be made not more than three (3) years after the date on which the investments that are the basis for the increment financing are made.

The allocation fund may not be used for operating expenses of the reuse authority.

(3) Except as provided in subsection (g), before July 15 of each year the reuse authority shall do the following:

(A) Determine the amount, if any, by which property taxes payable to the allocation fund in the following year will exceed the amount of property taxes necessary to make, when due, principal and interest payments on bonds described in subdivision (2) plus the amount necessary for other purposes described in subdivision (2).

(B) Notify the county auditor of the amount, if any, of the amount of excess property taxes that the reuse authority has

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determined may be paid to the respective taxing units in the manner prescribed in subdivision (1). The reuse authority may not authorize a payment to the respective taxing units under this subdivision if to do so would endanger the interest of the holders of bonds described in subdivision (2) or lessors under section 19 of this chapter. Property taxes received by a taxing unit under this subdivision are eligible for the property tax replacement credit provided under IC 6-1.1-21.

(c) For the purpose of allocating taxes levied by or for any taxing unit or units, the assessed value of taxable property in a territory in the allocation area that is annexed by a taxing unit after the effective date of the allocation provision of the declaratory resolution is the lesser of:

- (1) the assessed value of the property for the assessment date with respect to which the allocation and distribution is made; or
- (2) the base assessed value.

(d) Property tax proceeds allocable to the military base reuse district under subsection (b)(2) may, subject to subsection (b)(3), be irrevocably pledged by the military base reuse district for payment as set forth in subsection (b)(2).

(e) Notwithstanding any other law, each assessor shall, upon petition of the reuse authority, reassess the taxable property situated upon or in or added to the allocation area, effective on the next assessment date after the petition.

(f) Notwithstanding any other law, the assessed value of all taxable property in the allocation area, for purposes of tax limitation, property tax replacement, and the making of the budget, tax rate, and tax levy for each political subdivision in which the property is located is the lesser of:

- (1) the assessed value of the property as valued without regard to this section; or
- (2) the base assessed value.

(g) If any part of the allocation area is located in an enterprise zone created under ~~IC 4-4-6.1~~, **IC 5-28-20**, the unit that designated the allocation area shall create funds as specified in this subsection. A unit that has obligations, bonds, or leases payable from allocated tax proceeds under subsection (b)(2) shall establish an allocation fund for the purposes specified in subsection (b)(2) and a special zone fund. Such a unit shall, until the end of the enterprise zone phase out period, deposit each year in the special zone fund any amount in the allocation fund derived from property tax proceeds in excess of those described in subsection (b)(1) from property located in the enterprise zone that exceeds the amount sufficient for the purposes specified in subsection

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(b)(2) for the year. The amount sufficient for purposes specified in subsection (b)(2) for the year shall be determined based on the pro rata part of such current property tax proceeds from the part of the enterprise zone that is within the allocation area as compared to all such current property tax proceeds derived from the allocation area. A unit that does not have obligations, bonds, or leases payable from allocated tax proceeds under subsection (b)(2) shall establish a special zone fund and deposit all the property tax proceeds in excess of those described in subsection (b)(1) that are derived from property in the enterprise zone in the fund. The unit that creates the special zone fund shall use the fund (based on the recommendations of the U.E.A.) for programs in job training, job enrichment, and basic skill development that are designed to benefit residents and employers in the enterprise zone or other purposes specified in subsection (b)(2), except that where reference is made in subsection (b)(2) to allocation area it shall refer for purposes of payments from the special zone fund only to that portion of the allocation area that is also located in the enterprise zone. The programs shall reserve at least one-half (1/2) of their enrollment in any session for residents of the enterprise zone.

(h) After each general reassessment under IC 6-1.1-4, the department of local government finance shall adjust the base assessed value one (1) time to neutralize any effect of the general reassessment on the property tax proceeds allocated to the military base reuse district under this section. However, the adjustment may not include the effect of property tax abatements under IC 6-1.1-12.1, and the adjustment may not produce less property tax proceeds allocable to the military base reuse district under subsection (b)(2) than would otherwise have been received if the general reassessment had not occurred. The department of local government finance may prescribe procedures for county and township officials to follow to assist the department in making the adjustments.

SECTION 141. IC 36-7-32-9, AS ADDED BY P.L.192-2002(ss), SECTION 187, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 9. As used in this chapter, subject to the approval of the ~~department of commerce~~ **Indiana economic development corporation** under an agreement entered into under section 12 of this chapter, "public facilities" includes the following:

(1) A street, road, bridge, storm water or sanitary sewer, sewage treatment facility, facility designed to reduce, eliminate, or prevent the spread of identified soil or groundwater contamination, drainage system, retention basin, pretreatment facility, waterway, waterline, water storage facility, rail line,

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electric, gas, telephone or other communications, or any other type of utility line or pipeline, or other similar or related structure or improvement, together with necessary easements for the structure or improvement. Except for rail lines, utility lines, or pipelines, the structures or improvements described in this subdivision must be either owned or used by a public agency, functionally connected to similar or supporting facilities owned or used by a public agency, or designed and dedicated to use by, for the benefit of, or for the protection of the health, welfare, or safety of the public generally, whether or not used by a single business entity. Any road, street, or bridge must be continuously open to public access. A public facility must be located on public property or in a public, utility, or transportation easement or right-of-way.

(2) Land and other assets that are or may become eligible for depreciation for federal income tax purposes for a business incubator located in a certified technology park.

(3) Land and other assets that, if privately owned, would be eligible for depreciation for federal income tax purposes for laboratory facilities, research and development facilities, conference facilities, teleconference facilities, testing facilities, training facilities, or quality control facilities:

(A) that are or that support property whose primary purpose and use is or will be for a high technology activity;

(B) that are owned by a public entity; and

(C) that are located within a certified technology park.

SECTION 142. IC 36-7-32-10, AS ADDED BY P.L.192-2002(ss), SECTION 187, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 10. A unit may apply to the ~~department of commerce~~ **Indiana economic development corporation** for designation of all or part of the territory within the jurisdiction of the unit's redevelopment commission as a certified technology park and to enter into an agreement governing the terms and conditions of the designation. The application must be in a form specified by the ~~department~~ **Indiana economic development corporation** and must include information the ~~department~~ **corporation** determines necessary to make the determinations required under section 11 of this chapter.

SECTION 143. IC 36-7-32-11, AS ADDED BY P.L.192-2002(ss), SECTION 187, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 11. (a) After receipt of an application under section 10 of this chapter, and subject to subsection

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(b), the ~~department of commerce~~ **Indiana economic development corporation** may designate a certified technology park if the ~~department~~ **corporation** determines that the application demonstrates a firm commitment from at least one (1) business engaged in a high technology activity creating a significant number of jobs and satisfies one (1) or more of the following additional criteria:

(1) A demonstration of significant support from an institution of higher education or a private research based institute located within, or in the vicinity of, the proposed certified technology park, as evidenced by the following criteria:

(A) Grants of preferences for access to and commercialization of intellectual property.

(B) Access to laboratory and other facilities owned by or under the control of the institution of higher education or private research based institute.

(C) Donations of services.

(D) Access to telecommunications facilities and other infrastructure.

(E) Financial commitments.

(F) Access to faculty, staff, and students.

(G) Opportunities for adjunct faculty and other types of staff arrangements or affiliations.

(H) Other criteria considered appropriate by the ~~department~~ **corporation**.

(2) A demonstration of a significant commitment by the institution of higher education or private research based institute to the commercialization of research produced at the certified technology park, as evidenced by the intellectual property and, if applicable, tenure policies that reward faculty and staff for commercialization and collaboration with private businesses.

(3) A demonstration that the proposed certified technology park will be developed to take advantage of the unique characteristics and specialties offered by the public and private resources available in the area in which the proposed certified technology park will be located.

(4) The existence of or proposed development of a business incubator within the proposed certified technology park that exhibits the following types of resources and organization:

(A) Significant financial and other types of support from the public or private resources in the area in which the proposed certified technology park will be located.

(B) A business plan exhibiting the economic utilization and

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availability of resources and a likelihood of successful development of technologies and research into viable business enterprises.

(C) A commitment to the employment of a qualified full-time manager to supervise the development and operation of the business incubator.

(5) The existence of a business plan for the proposed certified technology park that identifies its objectives in a clearly focused and measurable fashion and that addresses the following matters:

(A) A commitment to new business formation.

(B) The clustering of businesses, technology, and research.

(C) The opportunity for and costs of development of properties under common ownership or control.

(D) The availability of and method proposed for development of infrastructure and other improvements, including telecommunications technology, necessary for the development of the proposed certified technology park.

(E) Assumptions of costs and revenues related to the development of the proposed certified technology park.

(6) A demonstrable and satisfactory assurance that the proposed certified technology park can be developed to principally contain property that is primarily used for, or will be primarily used for, a high technology activity or a business incubator.

(b) The ~~department of commerce~~ **Indiana economic development corporation** may not approve an application that would result in a substantial reduction or cessation of operations in another location in Indiana in order to relocate them within the certified technology park.

SECTION 144. IC 36-7-32-12, AS ADDED BY P.L.192-2002(ss), SECTION 187, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 12. A redevelopment commission and the legislative body of the unit that established the redevelopment commission may enter into an agreement with the ~~department of commerce~~ **Indiana economic development corporation** establishing the terms and conditions governing a certified technology park designated under section 11 of this chapter. Upon designation of the certified technology park under the terms of the agreement, the subsequent failure of any party to comply with the terms of the agreement does not result in the termination or rescission of the designation of the area as a certified technology park. The agreement must include the following provisions:

(1) A description of the area to be included within the certified technology park.

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(2) Covenants and restrictions, if any, upon all or a part of the properties contained within the certified technology park and terms of enforcement of any covenants or restrictions.

(3) The financial commitments of any party to the agreement and of any owner or developer of property within the certified technology park.

(4) The terms of any commitment required from an institution of higher education or private research based institute for support of the operations and activities within the certified technology park.

(5) The terms of enforcement of the agreement, which may include the definition of events of default, cure periods, legal and equitable remedies and rights, and penalties and damages, actual or liquidated, upon the occurrence of an event of default.

(6) The public facilities to be developed for the certified technology park and the costs of those public facilities, as approved by the ~~department of commerce~~ **Indiana economic development corporation**.

SECTION 145. IC 36-7-32-13, AS ADDED BY P.L.192-2002(ss), SECTION 187, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 13. (a) If the ~~department of commerce~~ **Indiana economic development corporation** determines that a sale price or rental value at below market rate will assist in increasing employment or private investment in a certified technology park, the redevelopment commission and the legislative body of the unit may determine the sale price or rental value for public facilities owned or developed by the redevelopment commission and the unit in the certified technology park at below market rate.

(b) If public facilities developed under an agreement entered into under this chapter are conveyed or leased at less than fair market value or at below market rates, the terms of the conveyance or lease shall include legal and equitable remedies and rights to assure that the public facilities are used for high technology activities or as a business incubator. Legal and equitable remedies and rights may include penalties and actual or liquidated damages.

SECTION 146. IC 36-7-32-14, AS ADDED BY P.L.192-2002(ss), SECTION 187, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 14. The ~~department of commerce~~ **Indiana economic development corporation** shall market the certified technology park. The ~~department corporation~~ and a redevelopment commission may contract with each other or any third party for these marketing services.

SECTION 147. THE FOLLOWING ARE REPEALED

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[EFFECTIVE JULY 1, 2005]: IC 4-1.5; IC 4-3-11; IC 4-3-12; IC 4-3-13; IC 4-3-14; IC 4-3-15; IC 4-3-16; IC 4-4-3; IC 4-4-3.2; IC 4-4-3.3; IC 4-4-3.4; IC 4-4-3.5; IC 4-4-3.6; IC 4-4-3.7; IC 4-4-3.8; IC 4-4-5.1; IC 4-4-6.1; IC 4-4-7; IC 4-4-8; IC 4-4-9; IC 4-4-9.3; IC 4-4-9.5; IC 4-4-12; IC 4-4-13; IC 4-4-14; IC 4-4-15; IC 4-4-16; IC 4-4-16.5; IC 4-4-17; IC 4-4-18; IC 4-4-20; IC 4-4-22; IC 4-4-24; IC 4-4-25; IC 4-4-27; IC 4-4-28; IC 4-4-29; IC 4-4-30; IC 4-23-5.5; IC 15-7-2; IC 15-7-8; IC 15-7-9.

SECTION 148. P.L.224-2003, SECTION 261, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: SECTION 261.

(a) The duties conferred on the department of commerce relating to energy policy are transferred to the office of energy policy on July 1, 2005.

(b) The rules adopted by the department of commerce concerning energy policy before July 1, 2005, are considered, after June 30, 2005, rules of the office of energy policy until the office of energy policy adopts replacement rules.

(c) On July 1, 2005, the office of energy policy becomes the owner of all property **and obligations** relating to energy policy of the department of commerce. **Any amounts owed to the department of commerce before July 1, 2005, under a program administered after June 30, 2005, by the office of energy policy shall be payable to the office of energy policy.**

(d) Any appropriations to the department of commerce relating to energy policy and any funds relating to energy policy under the control or supervision of the department of commerce on June 30, 2005, are transferred to the control or supervision of the office of energy policy on July 1, 2005.

(e) The legislative services agency shall prepare legislation for introduction in the 2004 regular session of the general assembly to organize and correct statutes affected by the transfer of responsibilities to the office of energy policy by this act.

(f) This SECTION expires January 1, 2006.

SECTION 149. P.L.224-2003, SECTION 262, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: SECTION 262.

(a) The duties conferred on the department of commerce relating to tourism **and community development** are transferred to the department of tourism **and community development** on July 1, 2005.

(b) The rules adopted by the department of commerce concerning tourism **and community development** before July 1, 2005, are considered, after June 30, 2005, rules of the department of tourism **and community development** until the department of tourism **and**

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community development adopts replacement rules.

(c) On July 1, 2005, the department of tourism and community development becomes the owner of all property and obligations relating to tourism promotion and community development of the department of commerce. Any amounts owed to the department of commerce before July 1, 2005, under a program administered after June 30, 2005, by the department of tourism shall be payable to the department of tourism.

(d) Any appropriations to the department of commerce relating to tourism and community development and funds relating to tourism and community development under the control or supervision of the department of commerce on June 30, 2005, are transferred to the control or supervision of the department of tourism and community development on July 1, 2005.

(e) The legislative services agency shall prepare legislation for introduction in the 2004 regular session of the general assembly to organize and correct statutes affected by the transfer of responsibilities to the department of tourism and community development by this act.

(f) (e) This SECTION expires January 1, 2006.

SECTION 150. P.L.224-2003, SECTION 263, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: SECTION 263.

(a) The duties conferred on the department of commerce relating to economic development and community development in Indiana, except those relating to energy policy or tourism, and community development, are transferred to the Indiana economic development corporation established by IC 4-1-5-3-1, IC 5-28-3-1, as added by this act, on July 1, 2005.

(b) The rules and policies adopted by the department of commerce related to economic development and community development, except those related to energy policy and tourism, and community development, before July 1, 2005, are considered, after June 30, 2005, policies of the Indiana economic development corporation until the corporation adopts replacement policies.

(c) On July 1, 2005, the Indiana economic development corporation becomes the owner of all property and obligations of the department of commerce that are associated with the economic development activities and community development activities of the department of commerce, except property and obligations related to energy policy and tourism. and community development. Any amounts owed to the department of commerce before July 1, 2005, under a program administered after June 30, 2005, by the Indiana economic development corporation shall be payable to the Indiana economic

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1 **development corporation.**

2 (d) Any appropriations to the department of commerce and funds
3 under the control or supervision of the department of commerce related
4 to its economic development functions **and community development**
5 **functions**, except appropriations and funds related to energy policy and
6 tourism, ~~and community development~~, on June 30, 2005, are
7 transferred to the Indiana economic development corporation on
8 January 1, 2005.

9 (e) Any reference in a law or other document to the department of
10 commerce or director of the department of commerce made before
11 July 1, 2005, and relating to its economic development function **or its**
12 **community development function** shall be treated after June 30,
13 2005, as a reference to the Indiana economic development corporation
14 established by this act.

15 (f) ~~The legislative services agency shall prepare legislation for~~
16 ~~introduction in the 2004 regular session of the general assembly to~~
17 ~~organize and correct statutes affected by the transfer of responsibilities~~
18 ~~to the Indiana economic development corporation by this act.~~

19 (g) (f) This SECTION expires January 1, 2006.

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